



David Sanders, Ph.D.
Director

County of Los Angeles DEPARTMENT OF CHILDREN AND FAMILY SERVICES

425 Shatto Place, Los Angeles, California 90020
(213) 351-5802

Board of Supervisors

GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

November 16, 2004

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

REQUEST TO ACCEPT GRANT FROM THE LOS ANGELES HOMELESS SERVICES AUTHORITY (LAHSA) TO FUND THE HOUSING PROGRAM FOR HOMELESS YOUNG PEOPLE (ALL DISTRICTS) (3 VOTES)

IT IS RECOMMENDED THAT YOUR BOARD:

1. Accept LAHSA Supportive Housing Program (SHP) Renewal Grant in the total amount of \$210,000 for the period April 1, 2003 through March 31, 2005; and authorize the Director of the Department of Children and Family Services (DCFS), or the Director's designee, to sign the necessary forms to execute LAHSA Agreement CA 16B200004 (Attachment 1). Four (4) U.S. Department of Housing and Urban Development (HUD), and six (6) LAHSA SHP Grants are utilized to partially fund the Transitional Housing Program (THP); LAHSA Agreement XII is currently available for renewal. The LAHSA funding and the required match of \$36,598 for this agreement is included in the Department's FY 2004-05 Adopted Budget. The match requirement is being met using \$36,598 of Independent Living Program (ILP) funding.
2. Delegate authority to the Director of DCFS, or the Director's designee, to accept the remaining seven (7) HUD and LAHSA SHP Renewal Grants upon receipt from HUD/LAHSA provided sufficient ILP funding or net County cost is available to meet the grant match requirement and prior County Counsel and Chief Administrative Office (CAO) approval is obtained; and instruct the Director to notify your Board and the CAO in writing within ten workdays of executing the grant agreements.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

DCFS receives a total of ten (10) HUD/LAHSA SHP Grants that partially fund THP. These ten grants provide partial funding for 244 THP beds with supportive services which include temporary housing, employment training, job placement assistance, assistance in securing

permanent housing, child care and related services to assist youth with making a successful transition from foster care to independent living.

The funding periods for the ten grants vary; therefore, renewal of all the grants is not simultaneous. Renewal of Agreement XII is requested at this time. Agreement XII is being renewed for the period April 1, 2003 through March 31, 2005. The deadline for renewal of this grant is December 24, 2004.

This grant will enable DCFS to provide transitional housing and supportive services over a two-year period to approximately 20 emancipated foster youth. These emancipated youth do not have a family support structure sufficient to help them successfully transition from foster care to life as independent adults.

The delegated authority requested in recommended action #2 will enable DCFS to renew the remaining nine grants upon receipt from HUD/LAHSa for renewal and continue providing THP beds and supportive services through those nine grants.

Implementation of Strategic Plan Goals

The recommended actions are consistent with the principles of the Countywide Strategic Plan Goal #5 (Children and Families' Well-Being). The recommended actions will improve the economic well-being of children and families in Los Angeles County.

FISCAL IMPACT/FINANCING

The grant to be renewed at this time is for \$210,000 and will be used to partially fund the THP. The total annual cost of the THP is \$4,862,779. The cost of the THP is financed using \$2,059,965 in funding from the four (4) HUD and six (6) LAHSa SHP grants, and the remaining \$2,802,814 is financed using ILP funding and/or net County cost. There is sufficient funding in the FY 2004-05 Adopted Budget.

HUD/LAHSa SHP grants require grant recipients to provide a minimum match of 25% of the total operating costs as well as a 20% match of the supportive services cost.

The total amount of HUD and LAHSa SHP grant funding was reduced in FY 02-03. In order to maintain the THP at the service level prior to these reductions, DCFS utilizes ILP funding and/or net County cost above the minimum match requirement.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

DCFS currently manages ten SHP grants. DCFS is the grantee for SHP Grant (numbers II, IV, V & VI) and is sponsor for LAHSa grant numbers VII through XII. The grant currently being renewed is LAHSa Agreement XII.

LAHSa serves as the umbrella agency for Continuum of Care Assistance Programs designed to meet housing needs in the County and as such, submits one consolidated application to

HUD for homeless assistance on behalf of all jurisdictions and qualifying agencies in the City and County of Los Angeles that wish to participate. One Continuum of Care strategy is developed in the Consolidated Application that includes all participating applicants and jurisdictions. DCFS participates as one of these agencies.

HUD awarded Renewal Grant (CA16B200004) to LAHSA as grantee, to provide transitional housing services in Los Angeles County. DCFS will serve as sponsor for this grant. Under the Continuum of Care strategy, Renewal Grant (CA16B200004) will be subject to LAHSA program administration and monitoring.

This Agreement is retroactive; however, the Agreement is exempt from the Board's timely filing policy since the County is accepting federal funding. The renewal grant Agreement must be executed by December 24, 2004. The delay in executing these grants was the result of an "Arms Length" issue that was under review by HUD Legal Counsel. Grant renewal notices were not received by DCFS until January 16, 2004, after HUD determined that there was sufficient "arms length" between the Community Development Commission (CDC) and DCFS to allow THP to rent properties owned by CDC and leased to non-profit organizations in the County. From February 17, 2004 to the date of filing of this Board Letter, DCFS worked with LAHSA to resolve contract language and fiscal issues that needed to be resolved before the documents could be finalized.

Although the LAHSA Agreement includes a provision allowing LAHSA to deduct liquidated damages for late invoices, LAHSA has informed DCFS that the Liquidated Damages Provision in CA16B200004 will be treated in the same manner as it has been treated in the other five (5) LAHSA Agreements. Accordingly, LAHSA will permit DCFS to accrue expenses and claim for reimbursement retroactive to the beginning date of the Agreement.

In the absence of an executed Agreement, the Department avoided a break in provision of THP services by financing the cost of the program using ILP funding and net County cost.

This grant Agreement was drafted by LAHSA; consequently, it does not contain the provisions, which the County typically requires in contracts. Additionally, the Agreement provides that the County of Los Angeles will indemnify LAHSA against liability or expenses arising from or connected with services performed under this Agreement.

The grant management statement is attached to this Board Letter (Attachment 2). This Board Letter has been reviewed by County Counsel and approved by the CAO.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

If DCFS did not accept this grant funding, the THP would not be able to continue to serve approximately 20 former foster youth in the THP now receiving services under these grants.

CONCLUSION

Upon approval of this request, please instruct the Executive Officer/Clerk of the Board of Supervisors to send an adopted copy of this Board Letter to:

1. Department of Children and Family Services
Attention: Walter Chan, Contract Manager
425 Shatto Place, Ste. 200
Los Angeles, CA 90020
2. Department of Children and Family Services
Attention: Rhelda Shabazz, Division Chief
Emancipation Services
3530 Wilshire Blvd., Ste. 400
Los Angeles, CA 90010
3. Office of the County Counsel
Children's Services Division
Attention: Rosemarie Belda, Principal Deputy
County Counsel
201 Centre Plaza Drive, Ste. 1
Monterey Park, CA 91754

Respectfully submitted,



DAVID SANDERS, Ph.D.
DIRECTOR

DS:PF
RS:cmw

Attachments (2)

c: Chief Administrative Office
County Counsel

LOS ANGELES HOMELESS SERVICES AUTHORITY

**2002 SUPPORTIVE HOUSING PROGRAM
RENEWAL CONTRACT**

CONTRACTOR: DEPARTMENT OF CHILDREN AND FAMILY SERVICES
(DCFS)

PROJECT NAME: Transitional Housing Program for Homeless Young People

CONTRACT NUMBER: CA16B200004

PROJECT IDENTIFIER: CA7003

TABLE OF CONTENTS

1. Definitions.....	6
2. Parties.....	7
3. Conditions Precedent.....	7
4. Contract Administration.....	8
5. Scope of Services.....	8
6. Time of Performance.....	8
7. Eligible Participants.....	8
8. Compensation.....	8
9. Method of Payment.....	9
10. Advance Payments.....	10
11. Supporting Documentation for Monthly Invoices.....	10
12. Cost Allocation Plan.....	10
13. Disbursement of Funds.....	10
14. Restriction on Disbursements.....	11
15. Cash Match for Supportive Services.....	11
16. Cash Match for Operations.....	11
17. Leveraging.....	12
18. Withheld Funds.....	12
19. Return of Unexpended Funds and Close-Outs.....	12
20. Funding Reduction.....	13
21. Fiscal Accountability.....	13
22. Revenue Disclosure Requirement.....	14
23. Limitation on Use of SHP funds.....	14
24. Interest Earned.....	14
25. Participation in the Los Angeles Continuum of Care IIMIS.....	14
26. Notices.....	14
27. Parties' Independent Status.....	15
28. Grievance Procedures.....	15
29. Program Income.....	16
30. Competitive Bid Requirements.....	16
31. Non-Competitive Sole Source Bids.....	16
32. Subcontracts.....	17
33. Equipment.....	17
34. Program Evaluation.....	17
35. Program Monitoring.....	17
36. Fiscal Monitoring.....	18
37. Monitoring Reports.....	18
38. Audits.....	19
39. Audit Findings.....	19
40. Disallowed Costs.....	19
41. Deobligation.....	19
42. Records.....	20
43. Reports.....	20
44. Insurance.....	20
45. Indemnification.....	21
46. Compliance with Laws.....	21
47. Property Maintenance Standards.....	21

48. Assignment.....	22
49. Overtime Work.....	22
50. Staff Travel.....	22
51. Limitation of Corporate Acts.....	22
52. Employment of Key Personnel.....	22
53. Contractor Personnel.....	22
54. Installation of Public Services Sign.....	23
55. Conflict of Interest.....	23
56. Discrimination.....	24
57. Affirmative Action and Equal Employment Practices.....	24
58. Nepotism.....	25
59. Equal Benefits Ordinance.....	25
60. Religious and Political Activities.....	26
61. Americans with Disabilities Act.....	26
62. Citizen Participation.....	27
63. Federal Lobbyist Requirements.....	27
64. Certification Regarding Debarment.....	27
65. Lead Based Paint.....	27
66. Asbestos.....	28
67. Program Changes.....	28
68. Budget Line Item Changes.....	28
69. Amendments.....	28
70. Time of Performance Modifications.....	29
71. Waivers.....	29
72. Breach.....	29
73. Defaults.....	29
74. Sanctions.....	29
75. Probation.....	30
76. Suspension.....	30
77. Termination for Convenience.....	31
78. Termination for Cause.....	31
79. Termination Procedures.....	31
80. Effect of Termination.....	32
81. Notices of Suspension and Termination.....	32
82. Prohibition of Legal Proceedings.....	32
83. Effect of Legal Judgement.....	32
84. Choice of Law Governing this Agreement.....	32
85. Integrated Agreement.....	33
86. Contract.....	33
87. Authorization Warranty.....	33

EXHIBIT LIST

EXHIBIT A:	PROJECT DESCRIPTION
EXHIBIT B:	PARTICIPANT ELIGIBILITY GUIDE
EXHIBIT C:	PROJECT BUDGET
EXHIBIT D:	CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY & VOLUNTARY EXCLUSION LOWER TIER COVERED TRANSACTIONS
EXHIBIT E:	FEDERAL CERTIFICATION REGARDING LOBBYING
EXHIBIT F:	CERTIFICATION REGARDING COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT
EXHIBIT G:	INSURANCE REQUIREMENTS
EXHIBIT H:	LAHSA SMALL/INFORMAL BIDS FORM
EXHIBIT I:	ANNUAL PROGRESS REPORT
EXHIBIT J:	LAHSA's CONTRACTOR ACCOUNTING & ADMINISTRATION HANDBOOK
EXHIBIT K:	24 CFR PART 583
EXHIBIT L:	24 CFR PART 84
EXHIBIT M:	EQUAL BENEFITS ORDINANCE
EXHIBIT N:	AGENCY GRIEVANCE PROCEDURES

**LOS ANGELES HOMELESS SERVICES AUTHORITY
2002 SUPPORTIVE HOUSING PROGRAM (SIIP)**

THIS CONTRACT is made and entered into by and between the Los Angeles Homeless Services Authority, (hereinafter "LAHSA"), and, Department of Children and Family Services of the County of Los Angeles, (hereinafter "Contractor" or "DCFS").

WITNESSETH THAT:

WHEREAS, the United States of America, through its Department of Housing and Urban Development (HUD) released a Notice of Funding Availability (NOFA) published in the Federal Register on March 26, 2002;

WHEREAS, LAHSA responded to the NOFA by submitting a consolidated application for the County of Los Angeles with the exception of Glendale, Long Beach and Pasadena;

WHEREAS, HUD conditionally selected certain projects for funding pending completion of the Technical Submission by Contractor;

WHEREAS, HUD awarded funds to certain projects in the LAHSA application upon approval of the Technical Submission, including this project;

WHEREAS, HUD has entered into various grant agreements with LAHSA, to execute HUD's Supportive Housing Program (SHP), which includes this project, under Title IV, of the Stewart B. McKinney Homeless Assistance Act of 1987, Subtitle C, as amended, hereinafter called the "Act"; and

WHEREAS, Contractor desires to participate in said program and is qualified by reason of experience, preparation, organization, staffing and facilities to provide services;

NOW, THEREFORE, in consideration of the mutual covenants herein set forth and the mutual benefits to be derived therefrom, the parties agree as follows:

I. DEFINITIONS

The following terms have the following meanings wherever used in this Agreement, attached exhibits, or documents incorporated into this Agreement by reference:

"AGREEMENT" means this legally binding contract entered into between LAHSA and Contractor.

"BUDGET" means the budget for activities set forth in this Agreement.

"CASH MATCH" means cash payment for acquisition, rehabilitation, new construction, supportive services, and operations of the project funded by SHIP funds.

"CITY" means the City of Los Angeles, a municipal corporation.

"COUNTY" means the County of Los Angeles, a body corporate and politic and political subdivision of the State of California.

"EQUIPMENT" means tangible nonexpendable personal property including exempt property charged directly to the award having a useful life of more than one year and an acquisition cost of \$500 or more per unit.

"HOMELESS INDIVIDUAL" "HOMELESS PERSON" as defined by the Stewart McKinney Homeless Assistance Act of 1987 means an individual who lacks a fixed, regular, and adequate night-time residence; and an individual who has a primary night-time residency that is: a supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, emergency shelters, and transitional housing); an institution that provides a temporary residence for individuals intended to be institutionalized; or a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings. This term does not include any individual imprisoned or otherwise detained under an Act of Congress or a state law.

"HUD" means the United States Department of Housing and Urban Development.

"LAHSA" means the Los Angeles Homeless Services Authority of the City and County of Los Angeles.

"OPERATING START DATE" means the date when participants begin to receive housing and/or services. For renewal projects, the operating start date is the date following the last day of the grant being renewed.

"PERSONAL PROPERTY" means property of any kind except real property. It may be tangible, having physical existence, or intangible, having no physical existence, such as copyrights, patents, or securities.

"PROJECT" means the acquisition, rehabilitation, new construction, operation and/or real property leasing of a facility and the provision of supportive services to homeless persons. Any one of these activities constitutes a project.

"PROJECT COSTS" means any and all costs, fees or expenses in connection with the operations of the project.

"PROPERTY" consists of the real property described in Exhibit A attached hereto and incorporated herein by this reference.

"PROPOSAL" means the documents that were submitted by Contractor in response to the Request for Proposals released by LAHSA under the 2002 SuperNOFA. These documents constitute the basis of which a grant was approved by HUD. Said documents include the certifications and assurances and any information or documentation required to meet any grant award conditions. The proposal is incorporated herein as a part of this Agreement.

"SUPPORTIVE HOUSING PROGRAM" (SHP) means that program designed to promote the development of supportive housing and supportive services to assist homeless persons in the transition from homelessness and enable them to live as independently as possible.

"TECHNICAL SUBMISSION" means the documents that Contractor submitted to LAHSA as part of the second phase of the 2002 SuperNOFA. Said documents include the certifications and assurances and any information or documentation required to meet any grant award conditions. The technical submission is incorporated herein as a part of this Agreement.

2. PARTIES

The parties of this Agreement are:

- A. The Los Angeles Homeless Services Authority, a Joint Powers Authority, having its office at 548 South Spring Street, Suite 400, Los Angeles, California 90013.
- B. The Contractor, Department of Children and Family Services, a body corporate and politic and a political subdivision of the State of California (DCFS), having its principal office at 3530 Wilshire Blvd., 4400, Los Angeles, CA 90010.

3. CONDITIONS PRECEDENT

Prior to the execution of this Agreement, the Contractor shall provide LAHSA with copies of the following documents:

- A. A completed budget (Exhibit C)
- B. A cost allocation plan.
- C. A Certification Regarding Debarment, attached hereto as Exhibit D.

- D. A Certification and Disclosure Regarding Lobbying, attached hereto as Exhibit E and incorporated herein by the reference.
- E. A Certification Regarding Compliance With The Americans With Disabilities Act (42 U.S.C. 11201 et seq, and its implementing regulations), as evidenced by the execution of a certification to this Agreement, attached hereto as Exhibit F and incorporated herein by the reference.
- F. Certificate of Insurance containing coverage as specified in Exhibit G attached hereto and incorporated herein by the reference
- G. Internal Revenue Service taxpayer identification number.

4. CONTRACT ADMINISTRATION

The Executive Director of LAHSA, or his designee, shall have full authority to act for LAHSA in the administration of this Agreement on behalf of LAHSA.

5. SCOPE OF SERVICES

The Contractor shall perform all the services set forth in the Project Description, Exhibit A of this Agreement, attached hereto and incorporated herein by this reference. Further, Contractor shall provide all the services detailed in the proposal and technical submission.

6. TIME OF PERFORMANCE

This Agreement shall run from the end of the Contractor's final operating year under the original grant agreement for a period of two (2) years, subject to the termination provisions herein. This Agreement shall begin on 4/1/03 and expire on 3/31/05.

7. ELIGIBLE PARTICIPANTS

- A. Contractor shall provide services to homeless persons as defined in the Stewart B. McKinney Homeless Assistance Act of 1987.
- B. Further, Contractor must maintain adequate documentation to demonstrate the eligibility of persons served using Supportive Housing Program funds. Contractor shall document said eligibility according to the Participant Eligibility attached hereto as Exhibit B and incorporated herein by this reference.

8. COMPENSATION

- A. LAHSA will pay Contractor an amount of money not exceeding the sum of Two hundred ten thousand dollars (\$210,000.00), which payment shall constitute full and complete compensation for Contractor's services under this Agreement. Said funds shall be spent according to the budget contained in Exhibit C, attached hereto and incorporated herein by this reference.
- B. Funding as set forth by the foregoing subsection A is subject to change in accordance with the availability of grant funds provided to LAHSA by HUD. Further, LAHSA

reserves the right to change the amount of compensation set forth herein in the event that HUD decreases funding available for this project.

- C. Funds available for each program year is conditioned upon continuing satisfactory performance in accordance with this Agreement and LAHSA's fiscal and programmatic monitoring.
- D. LAHSA assumes no responsibility to pay for expenses not specifically enumerated in Exhibit C of this Agreement. LAHSA shall not pay for any costs incurred by Contractor that are paid with other funds. Further, Contractor understands that LAHSA makes no commitment to fund this project beyond the term of this Agreement.
- E. Funds paid to the Contractor pursuant to this Agreement shall be deposited in a bank and shall be insured fully and continuously. No interest income should be earned on such funds. If there is interest earned, it must be managed as required by HUD and returned to LAHSA in accordance with section 24 of this Agreement.

9. METHOD OF PAYMENT

- A. Contractor shall be reimbursed for expenses authorized under the terms and conditions of this Agreement, subject to availability of funds for this project and subject to all other provisions of this Agreement.
- B. Monthly invoices shall be submitted to LAHSA by the 15th calendar day following of the end of the month in which the costs were incurred. In the event that the Contractor submits invoices for reimbursement late, LAHSA may withhold liquidated damages from such reimbursement. A percentage of the otherwise reimbursable expenses will be withheld as liquidated damages according to the following schedule:

<u>Calendar Days Late</u>	<u>Liquidated Damages</u>
1-14	10% of late invoice(s)
15-28	20% of late invoice(s)
29-42	30% of late invoice(s)
43-56	50% of late invoice(s)
57-70	75% of late invoice(s)
71-84	100% of late invoice(s)

- C. LAHSA will consider reasonable written requests for extension of time to submit invoices for reimbursement. Requests for extension of time must be received by LAHSA within five (5) days of the end of the month in which costs were incurred. LAHSA will respond in writing to the request for extension of time. In the event that LAHSA fails to respond or responds late to a request for extension of time, such request is deemed to be denied within five (5) days of receipt of the request for extension of time. In the event that a request for extension of time is deemed to be denied or actually denied, Contractor must comply with subsection B above.

- D. Said invoice shall be in form and detail satisfactory to LAHSA. In the event that Contractor does not expend all of the funds received pursuant to any monthly invoice, it shall so note and make due credit and allowance therefor upon its invoice for the following month.
- E. Expenditures made by Contractor in the operation of this Agreement shall be in strict compliance and conformity with the Budget set forth in Exhibit C, unless prior written approval for an exception is obtained from LAHSA.

10. ADVANCE PAYMENTS

LAHSA shall provide thirty (30) day advance payments only for recurring line items such as rent and payroll expenses. Contractor must submit an invoice for the advance payment by the 10th day of the month in which the expenses will be incurred. Contractor shall not receive an advance payment for the last month of the contract term.

11. SUPPORTING DOCUMENTATION FOR MONTHLY INVOICES

- A. Contractor must submit the following documentation with its monthly invoice.
 - i) General Ledger;
 - ii) Payroll registers;
 - iii) Time sheets;
 - iv) Invoices from benefits providers; and
 - v) Copies of invoices for non-personnel costs.

12. COST ALLOCATION PLAN

Contractor shall submit to LAHSA its cost allocation plan along with a complete budget (Exhibit C). This Agreement shall not be executed prior to the submittal of said cost allocation plan.

13. DISBURSEMENT OF FUNDS

LAHSA shall disburse funds under this Agreement to Contractor as follows:

- A. Real Property Leasing: Contractor shall request funds for real property leasing on a monthly basis.
- B. Operations and Supportive Services: Contractor shall request funds for operating and supportive services on a monthly basis.
- C. Administrative Funds: Contractor may use up to five (5) percent of the grant amount for administrative costs. Said costs include the costs associated with accounting for the use of grant funds, preparing reports for submission to LAHSA and HUD, obtaining program audits, similar costs related to administering the grant after the award, and staff salaries associated with these administrative costs. The amount billed shall not exceed 5% of the expenses leasing, operations and supportive services.

14. RESTRICTION ON DISBURSEMENTS

No money received pursuant to this Agreement by the Contractor shall be disbursed to any subcontractor except pursuant to a written agreement that incorporates any and all applicable contract requirements as set forth in this Agreement.

15. CASH MATCH FOR SUPPORTIVE SERVICES

A. Contractor must provide a cash payment for twenty (20) percent of the project's supportive services budget annually. Contractor shall spend the cash match as set forth in the Technical Submission and Exhibit C of this Agreement.

B. Further, Contractor shall document its use of the required cash match on a monthly basis. The amount of cash match used during the program year shall be indicated in the invoice to LAHSA. Contractor must demonstrate that it has met its cash match requirement by the 10th month of the program year. In the event that Contractor fails to demonstrate the existence said cash match by the 10th month, LAHSA shall:

- i) deobligate funds from invoices submitted to LAHSA for payment in order to ensure that Contractor meets the required cash match; or
- ii) discontinue payments to Contractor until the required cash match is met.

C. In addition, Contractor shall provide documentation of firm commitments of the cash resources allocated for the subsequent program year by the 10th month of the current program year. LAHSA shall verify the utilization of the cash match through desk reviews and on-site monitoring visits. The cash match for supportive services must be for the payment of eligible supportive services.

D. In the event that Contractor does not meet the requirement aforementioned in subsections A, B and C, LAHSA reserves the right to suspend or terminate this Agreement.

16. CASH MATCH FOR OPERATIONS

A. Contractor must provide a cash payment for twenty-five percent (25%) of the project's operations budget annually. Contractor shall spend the cash match as set forth in the Technical Submission and Exhibit C of this Agreement.

B. Further, Contractor shall document its use of the required cash match on a monthly basis. The amount of cash match used during the program year shall be indicated in the invoice to LAHSA. Contractor must demonstrate that it has met its cash match requirement by the 10th month of the program year. In the event that Contractor fails to demonstrate the existence said cash match by the 10th month, LAHSA shall:

- i) deobligate funds from invoices submitted to LAHSA for payment in order to ensure that Contractor meets the required cash match; or
- ii) discontinue payments to Contractor until the required cash match is met.

- C. In addition, Contractor shall provide documentation of firm commitments of the cash resources allocated for the subsequent program year by the 10th month of the current program year. LAHSA shall verify the utilization of the cash match through desk reviews and on-site monitoring visits. The cash match for operations must be for the payment of eligible operations activities.
- D. In the event that Contractor does not meet the requirement aforementioned in subsections A, B and C, LAHSA reserves the right to suspend or terminate this Agreement.

17. LEVERAGING

- A. In the event that Contractor proposed to provide leveraging in the project funded herein, Contractor shall comply with the leveraging commitments specified in the proposal, Technical Submission and Exhibit C of this Agreement.
- B. Further, Contractor shall document the utilization of leveraged resources on a quarterly basis in a document provided by LAHSA. LAHSA shall verify the utilization of the leveraged resources through desk reviews and on-site monitoring visits.

18. WITHHELD PAYMENTS

- A. Unearned payments under this Agreement may be suspended or terminated if grant funds to LAHSA are suspended or terminated, or if the Contractor refuses to accept additional conditions imposed on it by HUD or LAHSA.
- B. LAHSA has the authority to withhold funds under this Agreement pending a final determination by LAHSA of questioned expenditures or indebtedness to LAHSA arising from past or present agreements between LAHSA and the Contractor. Upon final determination by LAHSA of disallowed expenditures or indebtedness, LAHSA may deduct and retain the amount of the disallowance or indebtedness from the amount of the withheld funds.
- C. Payments to the Contractor may be withheld by LAHSA if the Contractor fails to comply with the provisions of this Agreement.

19. RETURN OF UNEXPENDED FUNDS AND CLOSE-OUTS

- A. The Contractor shall, either upon completion or termination of this Agreement, immediately return any unexpended funds to LAHSA no later than forty-five (45) calendar days after completion or termination of this Agreement. If LAHSA determines that funds paid to Contractor are in excess of the amount actually expended, Contractor shall immediately return said funds to LAHSA.
- B. The Contractor agrees to complete all necessary financial close out procedures required by LAHSA, within a period of not more than forty-five (45) calendar days from the expiration date of this Agreement. This time period will be referred to as the financial close out period. LAHSA is not liable to provide reimbursement for any expenses or costs associated with this Agreement after the expiration of the financial close out period.

After the expiration of the financial close out period, those funds not paid to the Contractor under this Agreement, if any, shall be immediately recaptured by HUD.

- C. The Executive Director, or his designee, may request a final financial audit for activities performed under this Agreement at the expiration of the financial close out period in the event that Contractor repeatedly incurs disallowed costs and/or repeatedly submits inaccurate invoices to LAHSA during the term of this Agreement.

20. FUNDING REDUCTION

- A. LAHSA reserves the right to revise this Agreement in order to take into account actions affecting HUD program funding. In the event of funding reduction, LAHSA may reduce the budget of this Agreement, as a whole or as to a cost category, may limit the rate of the Contractor's authority to commit and spend funds, or may restrict the Contractor's use of both its uncommitted and its unspent funds.
- B. In no event, however, shall any revisions made by LAHSA affect expenditures and legally binding commitments made by the Contractor before it received written notice of such revision, provided that such amounts have been committed in good faith and are otherwise allowable, and that such commitments are consistent with HUD cash withdrawal guidelines.

21. FISCAL ACCOUNTABILITY

- A. Contractor agrees to manage moneys received through LAHSA in accordance with sound accounting policies; incur and claim only eligible costs for reimbursement; adhere to accounting standards established in OMB Circulars A-110, A-122 and A-133; and adhere to LAHSA's Contractor Accounting and Administration Handbook, attached hereto as Exhibit J and incorporated herein by this reference.
- B. Contractor must establish and maintain on a current basis, an accrual accounting system in accordance with Generally Accepted Accounting Principles and Standards. Further, Contractor must develop an accounting procedures manual. Said manual shall be made available to LAHSA upon request or during fiscal monitoring visits.
- C. Eligible expenditures shall be supported by properly executed invoices, time records, receipts, purchase vouchers, or other official documentation evidencing in proper detail the nature and propriety of the charges. Checks, payrolls, invoices, vouchers, purchase orders, or other accounting documents shall be clearly identified and readily accessible to LAHSA representatives.
- D. Invoices shall be accurate and complete in all respects. Should inaccurate or incomplete reports be submitted to LAHSA, LAHSA may require the Contractor to secure the services of a licensed accountant. Cost of such accounting services are to be borne by the Contractor and are not to be reimbursed from the funds authorized by this Agreement, unless specifically agreed to between the Contractor and LAHSA in a written agreement.

22. REVENUE DISCLOSURE REQUIREMENT

Upon request, Contractor shall file with LAHSA, a written statement listing all revenue received, or expected to be received, by Contractor from Federal, State, County, City, Private or LAHSA sources, or other governmental agencies, and applied, or expected to be applied, to offset, in whole or in part, any of the costs incurred by Contractor in operating the project funded herein. Such statement shall reflect the name, the dollar amount of funding provided, or to be provided, and the full name and address of each governmental agency.

23. LIMITATIONS ON USE OF SUPPORTIVE HOUSING PROGRAM FUNDS

Contractor may not use Supportive Housing Program funds to lease property that it already owns. Further, Contractor may not lease property owned by a parent, a sibling, a spouse, a board member, a subsidiary organization, or any other individual or entity that has a direct role in the provision of services and/or housing to the project. Leasing funds may not be used to pay Contractor's mortgage or other costs of building operations. Leasing funds may only be used to pay for the actual costs of leasing a structure or unit.

24. INTEREST EARNED

In the event that Contractor earns or receives interest on funds deposited under this Agreement, Contractor shall remit any and all interest to LAHSA at the end of each program operating year.

25. PARTICIPATION IN THE LOS ANGELES CONTINUUM OF CARE HOMELESS MANAGEMENT INFORMATION SYSTEM (HMIS)

Contractor must participate in the HMIS implemented by LAHSA and adhere to all the implementation guidelines developed under HMIS. Said system shall be implemented during the term of this grant. LAHSA shall provide Contractor with the basic training required to use HMIS.

26. NOTICES

- A. All notices shall be served in writing, each party shall notify the other of any significant changes relating to this project within 48 hours. The notices to the Contractor shall be sent to the contractor representative at the following address:

David Sanders, Ph.D., Director
Department of Children and Family Services
3530 Wilshire Blvd., #400
Los Angeles, CA 90010

- B. Notices, reports and statements to LAHSA shall be delivered or sent to the Executive Director or his designee at:

Mitchell Nethum, Executive Director
Los Angeles Homeless Services Authority
548 South Spring Street, Suite 400
Los Angeles, CA 90013

27. PARTIES' INDEPENDENT STATUS

Both parties hereto in the performance of this Agreement will be acting in an independent capacity and not as agents, employees, partners, joint ventures or associates of one another. The employees or agents of one party shall not be deemed or construed to be the agents or employees of the other party for any purpose whatsoever, including workers' compensation liability.

28. GRIEVANCE PROCEDURES

- A. Contractor shall maintain a written set of policies and procedures for the resolution of all grievances. These policies and procedures shall be freely available to all program participants and staff. Copies of the grievance policies and procedures shall be clearly marked and made available to the program participants during intake. A summary of the program grievance resolution policies and procedures shall be prominently displayed in common area(s) in the facility.
- B. Contractor shall identify an individual to whom all grievances arising between program participants and agency staff and/or grievances regarding operations of the program shall be referred for resolution. This individual shall be clearly identified to agency management, staff and program participants.
- C. Contractor's grievance resolution policies and procedures shall include but are not limited to the following:
 - i) The name and title of the staff person responsible for grievance resolution and how they are contacted.
 - ii) A procedure for hearing all grievances within 72-hours of a complaint being made, including the gathering of facts and testimony from other participants and staff.
 - iii) A confidential area where grievances may be heard.
 - iv) A centralized and coherent system of documenting grievances. The documentation shall contain a description of the grievance and the resolution or disposition of said grievance. Said documentation shall be retained in a central dispute or grievance file, which file shall be made available to LAHSA upon request.
 - v) A procedure for referring all unresolved grievances to an outside grievance resolution service within 48-hours of the meeting between the complainant and the staff person responsible for the resolution of grievances. If the project is located within the City of Los Angeles, Contractor may elect to use the following resolution service:

Avis Ridley-Thomas
Dispute Resolution Program
200 N. Main, City Hall East, 16th Floor

Los Angeles, CA 90012
Telephone: (213) 485-8324

29. PROGRAM INCOME

- A. LAHSA reserves the right to determine the disposition of any program income accumulated under the project set forth in Exhibit A. Said disposition may include LAHSA taking possession of said program income.
- B. Contractor may also use program income in the manner specified in 24 CFR Part 583.315 (b) and other applicable Federal regulations including but not limited to 24 CFR Part 84.24 and OMB Circular A-110.

30. COMPETITIVE BID REQUIREMENTS

- A. Procurement of goods and services under \$100,000 shall be conducted by soliciting bids through the small purchase procedures method of procurement (i.e. informal procurement). Contractor shall use LAHSA's Small/Informal Bid Form, attached herein as Exhibit H and incorporated herein by reference. A minimum of three quotes must be obtained and documented on said form.
- B. Goods and services covered under this section include but are not limited to: administrative services, social services, supplies, printing, equipment, consultants, contract employees, program services and facility rentals.
- C. Contractor must purchase and/or lease goods and services from the lowest responsible bidder.
- D. Procurement of services and goods of \$100,000 or over requires a competitive bid process with a Request for Bids (RFB), except in the case of sole source contractors, described in section 31 of this Agreement. The RFB issued by Contractor shall be in accordance with the procurement procedures specified in 24 CFR 84.44 attached hereto as Exhibit M and incorporated herein by this reference.

31. NON-COMPETITIVE SOLE SOURCE BIDS

- A. Sole source bids for supplies and services contracts may be accepted only when the award of a contract is not feasible using the above RFB procedure. Any procurement based on non-competitive bids shall be supported by written justification.
- B. Circumstances under which a contract may be awarded by non-competitive bids include but are not limited to the following:
 - i) The item or service is only available from a single source; or
 - ii) After solicitation of a number of sources, competition is determined to be inadequate; or
 - iii) An immediate emergency exists that seriously threatens the public health, welfare, or safety, or endangers property. The emergency procurement shall be limited to those supplies or services necessary to meet the emergency, or

- iv) The building owner or manager of a facility leased by Contractor requires a specific experienced vendor for building related services such as wiring or equipment installation.

32. SUBCONTRACTS

- A. For the purpose of this Agreement, subcontracts shall include, but not be limited to, purchase agreements, lease or rental agreements (excluding real property agreements), third party agreements, consultant services subcontracts, and construction subcontracts. Subcontracts entered into in the performance of this Agreement shall:
 - i) Be subject to the terms and conditions set forth in this Agreement. LAHSA shall require incorporation of the applicable provisions in a written agreement.
 - ii) Specifically prohibit assignment or transfer of interest without prior written approval by LAHSA.
 - iii) Specifically provide proof, when applicable, of qualifications necessary, appropriate permits and/or business licenses.
 - iv) Specifically provide parties to the subcontract, a full description of the exact scope of services to be performed, the length of time, and compensation for services rendered.
- B. Under no circumstances shall the Contractor enter into Cost-Plus a Percentage-of- Cost subcontracts.

33. EQUIPMENT

Contractor shall manage equipment as specified in 24 CFR Part 84.34 and OMB Circular A-110.

34. PROGRAM EVALUATION

- A. Contractor shall make available for inspection during the term of this Agreement and for a period of five (5) years thereafter financial and all other records pertaining to performance of this Agreement to authorized HUD and/or LAHSA representatives. Further, Contractor shall allow said representatives to inspect and monitor its facilities and program operations, including the interview of Contractor staff and program participants.
- B. Program evaluation includes but is not limited to: a review on the effectiveness and impact of the program; a review of the internal systems such as reporting tools, accounting system, tracking systems, and techniques developed by Contractor to serve homeless persons.

35. PROGRAM MONITORING

- A. Authorized representatives of HUD and/or LAHSA shall monitor Contractor's performance and conduct program progress reviews at any time during the term of this Agreement. Said representatives shall provide ample written notice to Contractor for all announced visits, observe client confidentiality rules and shall have the right of access in all activities and facilities operated by the Contractor under this Agreement.

- B. Facilities include all client files, records, personnel files and other documents related to the performance of this Agreement. The review of personnel files for staff under this Agreement shall be limited to job descriptions and résumés. In addition, Contractor shall ensure that clients sign a release that authorizes LAHSA and HUD representatives to review client files. Activities include attendance at staff, board of directors, advisory committee and advisory board meetings, interviews with staff and clients, and observation of on-going program functions. The Contractor will insure the cooperation of its staff and board members in such efforts.
- C. In order to facilitate monitoring visits, Contractor shall maintain at all times a roster of all clients who entered the program during the program year. Said roster shall specify the client name or unique identifier used to track clients, the date the client entered the program and the date the client exited the program.
- D. Monitoring visits will consist of announced and unannounced visits focusing on the extent to which the proposed program has been implemented, measurable goals achieved, effectiveness of program administration and management.
- E. LAHSA may also provide capacity building to the extent feasible and agreeable to both parties during the term of the Agreement to help improve programmatic and fiscal compliance.
- F. LAHSA and Contractor agree that some activities and facilities, as defined in this agreement, may be confidential. Notwithstanding any other provision of this agreement, the parties agree that all provisions of this contract, including but not limited to monitoring of activities and facilities, shall be accomplished in a manner consistent with applicable confidentiality laws and regulations, including, but not limited to, Welfare and Institutions Code Sections 827 and 10850 as well as MPP Division 19." If requested by LAHSA, Contractor shall file a WIC 827 petition in order to provide LAHSA access to activities or facilities necessary to monitor the Agreement.

36. FISCAL MONITORING

- A. HUD and/or LAHSA or its authorized representatives reserve the right to dispatch auditors of its choosing to any site where any phase of the program is being conducted, controlled or advanced in any way, tangible or intangible. Said site may include the home office, any branch office or other locations of the Contractor if such site or the activities performed thereon have any relationship to the project funded herein. Said representatives shall provide ample written notice to Contractor for all announced visits.
- B. Contractor shall make available at all times during the term of this Agreement and for a period of five (5) years thereafter, for the purpose of audit or inspection, any and all books, financial documents, papers, records, property, and premises of the Contractor. The Contractor's staff will cooperate fully with authorized auditors when they conduct audits and examinations of the Contractor's program. A financial audit of the Contractor's performance under this Agreement shall be conducted at LAHSA's discretion.

37. MONITORING REPORTS

LAHSA shall issue a monitoring report following the fiscal and program monitoring reviews. The report shall state whether Contractor is in compliance or not. If the Contractor is not in compliance, the report shall specify the problems noted during the review. The report shall also:

- i) Fully and correctly identify the finding.
- ii) Cite program requirements or applicable regulations that have been violated.
- iii) Specify corrective actions that must be taken.
- iv) Include a deadline for responding to the monitoring letter and also for correcting each finding identified in the monitoring report.

38. AUDITS

- A. In the event that Contractor spends an aggregate of \$300,000.00 (three hundred thousand dollars) or more of federal funds in a fiscal year, Contractor shall have conducted within nine (9) months after the close of Contractor's fiscal year, an audit in accordance with OMB Circular A-133.
- B. The Contractor, no later than fifteen days after receipt of the final audit report, shall submit a copy of the audit report to LAHSA.
- C. LAHSA reserves the right to impose sanctions for Contractor's failure to comply with the foregoing subsections A and B and other provisions of this Agreement.

39. AUDIT FINDINGS

- A. Contractor agrees that in the event that the program established hereunder is subject to audit finding(s) by independent auditors, LAHSA, or appropriate Local, State and Federal audit agencies, it shall be responsible for complying with such finding(s). In the event that said findings have a fiscal impact on LAHSA, Contractor shall repay LAHSA the full amount of said finding(s).
- B. If indications of misappropriation or misapplication of the funds of this Agreement cause LAHSA to require a special audit, the cost of the audit shall be borne by the Contractor and is not to be reimbursed from the funds authorized by this Agreement, unless specifically agreed to in writing by LAHSA.

40. DISALLOWED COSTS

- A. In the event that a fiscal monitoring or special audit reveals that Contractor has received funds for questioned expenditures under this Agreement, LAHSA shall notify and provide Contractor the opportunity to justify said expenditures prior to making a final determination of disallowed costs.
- B. Upon final determination of disallowed costs, if any, Contractor agrees that it shall pay LAHSA in non-federal funds the amount of the disallowance within thirty (30) days of receipt of final notice from LAHSA. The disallowed costs may be paid in one lump sum or in increments as agreed upon in a repayment plan. Contractor understands that any repayment plan submitted is subject to LAHSA approval.

41. DEOBLIGATION

In the event HUD deobligates LAHSA from all or part of this grant as provided in 24 CFR 583.410 (c), LAHSA may deobligate the Contractor from all or parts of this grant for acquisition, rehabilitation, new construction, leasing costs, operating costs, supportive services or administrative costs.

42. RECORDS

- A. Records shall be maintained in accordance with requirements prescribed by LAHSA with respect to all matters covered by any subcontract. Such records shall be retained within Los Angeles County for a period of five (5) years after receipt of final payment under this Agreement, unless authorization to remove them is granted in writing by the LAHSA.
- B. Expenditures pertaining to subcontracts shall be supported by properly executed documents evidencing in detail the nature of the charges, including but not limited to receipts and invoices. These records shall be made available to LAHSA for copying, audit, and inspection at any time during normal business hours.
- C. At such times and in such forms as LAHSA may require, there shall be furnished to LAHSA such statements, records, reports, financial data and information as LAHSA may request pertaining to matters covered by any subcontract.

43. REPORTS

- A. Contractor shall submit quarterly program progress reports to LAHSA. Said reports shall provide quantifiable goals and objectives, in the form specified by LAHSA. Contractor shall submit said report to LAHSA within 30 days after each quarter ends.
- B. Contractor must submit to LAHSA an Annual Progress Report (APR), attached hereto as Exhibit I and incorporated herein by this reference, within 60 days after each program year ends. LAHSA shall provide training on how to complete the APR.

44. INSURANCE

- A. Without limiting Contractor's indemnification of LAHSA, Contractor shall provide and maintain at its own expense during the term of this Agreement a program of insurance satisfactory to LAHSA covering Contractor's operations hereunder as specifically defined in Exhibit G of this Agreement, attached hereto and incorporated herein by this reference.
- B. Contractor shall bear the sole responsibility and liability for furnishing workers' compensation benefits to any person for injuries arising from or connected with services performed on behalf of the Contractor pursuant to this Agreement.
- C. Contractor shall be responsible for furnishing Officers and Directors insurance for its Board members in the amount specified in Exhibit G. Funds for said insurance shall be no less than 70% of the amount provided for project activities under this Agreement.

- D. LAHSA reserves the right at any time during the term of this Agreement to change the amounts and types of insurance required hereunder by giving Contractor ninety (90) days advance written notice of such change. If such change should result in substantial additional cost to Contractor, LAHSA agrees to negotiate additional compensation proportional to the increased benefit to LAHSA.
- E. Failure on the part of Contractor to procure or maintain required insurance shall constitute a material breach of contract under which LAHSA may immediately take any of the following actions:
- i) Withhold payment of all invoices submitted to LAHSA for reimbursement;
 - ii) At its discretion, LAHSA may procure or renew such insurance and pay any and all premiums in connection therewith. All moneys so paid by LAHSA shall be repaid by the Contractor to LAHSA upon demand or LAHSA may offset the cost of the premiums against any moneys due to the Contractor from LAHSA;
 - iii) LAHSA may suspend this Agreement as specified in section 76 of this Agreement until such time that insurance is provided by Contractor.

45. INDEMNIFICATION

The Contractor agrees to indemnify, defend and save harmless LAHSA and the City and County of Los Angeles, and their respective agents, officers and employees from and against any and all liability expense, including defense costs and legal fees, and claims for damages of any nature whatsoever, including, but not limited to, bodily injury, death, personal injury, or property damage arising from or connected with the Contractor's operations, or its services hereunder, including any workers' compensation suits, liability or expense arising from or connected with services performed on behalf of Contractor by any person pursuant to this Agreement.

46. COMPLIANCE WITH LAWS

- A. All parties agree to be bound by applicable Federal, State, and local laws, ordinances, regulations and directives as they pertain to the performance of this Agreement including but not limited to required licenses or permits. Contractor further assures and certifies that it shall comply with all applicable program regulations and guidelines.
- B. Applicable regulations, policies, and guidelines subject to the performance of this Agreement include but are not limited to: the Act; 24 CFR Part 583 and Part 84 attached herein as Exhibit K and L respectively, 24 CFR Parts 44, 45, and 85; Uniform Administrative Requirements, (September 13, 1994); U.S. Office of Management and Budget (OMB) Circular numbers A-110, A-122, A-133; HUD's SHP Desk Guide, and LAHSA's Contractor Accounting and Administration Handbook, and any amendments thereto. All these documents are incorporated herein by this reference. LAHSA may provide these documents upon Contractor's written request.

47. PROPERTY MAINTENANCE STANDARDS

The Contractor providing services under this Agreement must ensure that sufficient property maintenance shall be provided to the facility where services are being provided, as specified in 24 CFR Part 583.300 (b) and 24 CFR Part 84.30.

48. ASSIGNMENT

This Agreement is not assignable by Contractor without the express written consent of LAHSA. Any attempt by Contractor to assign any performance of the terms of this Agreement shall be null and void and shall constitute a material breach of this Agreement.

49. OVERTIME WORK

Unless specifically stated within this Agreement or authorized by LAHSA in writing, overtime work expenditures shall not be incurred by the Contractor under this Agreement.

50. STAFF TRAVEL

Contractor may incur expenditures for travel in accordance with OMB Circular A-122.

51. LIMITATION OF CORPORATE ACTS

The Contractor shall not move to dissolve, transfer any assets derived from funds provided herein or take any other steps which may materially affect the performance of this Agreement without first notifying LAHSA in writing. The Contractor shall notify LAHSA within seventy-two (72) hours, in writing of any change in the Contractor's corporate name.

52. EMPLOYMENT OF KEY PERSONNEL

A. For the purpose of this Agreement, the Executive Director, Project Director and Chief Financial Officer needed in support of this Agreement shall be considered Key Personnel. Substitute or replacement personnel hired by Contractor or collaborating subcontractor agencies shall meet the same qualifications as staff identified in the proposal, technical submission and contract budget. Contractor warrants that it shall replace all key personnel with equally or better qualified staff and shall notify LAHSA of any such change.

B. Contractor shall ensure that all staff persons providing professional services needed in support of this project shall have appropriate licenses required by Federal, State and local laws. For the purpose of this Agreement, professional services shall constitute services rendered by persons who are members of a particular profession or possess a special skill. Professional services include but are not limited to: medical services, mental health services, accounting services, and legal services.

53. CONTRACTOR PERSONNEL

A. Contractor shall employ persons meeting the qualifications for those positions listed in the proposal, technical submission and contract budget. The Contractor shall not use funds provided under this Agreement to pay salaries in excess of the maximum salary designated for each position as listed in the budget.

- B. Deviation of the foregoing limitations shall be in accordance with provisions specified in section 9 subsection E and sections 67 and 68 of this Agreement.
- C. Contractor shall classify employees as independent contractors only if they meet the independent contractor standards as defined by the Internal Revenue Service and the California Code of Regulations.

54. INSTALLATION OF PUBLIC ASSISTANCE SIGN

The Contractor shall install for public display upon the project premises, a sign identifying the Contractor as a service provider of homeless services. In the event that Contractor is operating a program for persons fleeing domestic violence, a sign identifying the Contractor as a service provider of homeless services is not required. All other exceptions to this provision must be approved by LAHSA.

55. CONFLICT OF INTEREST

- A. The Contractor, its agents and employees shall comply with all applicable Federal, State and local laws and regulations governing conflict of interest including, but not limited to, 24 CFR Part 85 and OMB Circular A-110.
- B. To this end, the Contractor will make available to its agents and employees copies of all applicable Federal, State and local laws and regulations governing conflict of interest
- C. Contractor covenants that none of its directors, officers, employees, or agents shall participate in selecting, or administering any subcontract supported (in whole or in part) by Federal funds where such person is a director, officer, employee or agent of the subcontractor; or where such person knows or should have known that:
 - i) A member of such person's immediate family, or partner, or organization has a financial interest in the subcontract;
 - ii) The subcontractor is an entity or someone with whom such person has or is negotiating any prospective employment; or
- D. The participation of such persons would be prohibited by the California Political Reform Act, California Government Code Section 87100 et seq. if such person were a public officer, because such person would have a "financial or other interest" in the subcontract. The term "financial or other interest" includes but is not limited to:
 - i) Any direct or indirect financial interest in the specific contract, including a commission or fee, a share of the proceeds, prospect of a promotion or of future employment, a profit, or any other form of financial reward.
 - ii) Any of the following interest in the subcontractor ownership: partnership interest or other beneficial interest of five percent or more; ownership of five percent or more of the stock; employment in a managerial capacity; or membership on the board of directors or governing body.

- E. The term "immediate family" includes but is not limited to those persons related by blood or marriage, such as husband, wife, father, mother, brother, sister, son, daughter, father-in-law, mother-in-law, brother-in-law, son-in-law, and daughter-in-law.
- F. The Contractor further covenants that no officer, director, employee, or agent shall solicit or accept gratuities, favors, anything of monetary value from an actual or potential subcontractor, supplier, a party to a subcontract, (or persons who are otherwise in a position to benefit from the actions of any officer, employee, or agent).
- G. The Contractor shall not subcontract with a former director, officer, or employee within a one year period following the termination of the relationship between said person and the Contractor.
- H. The Contractor shall disclose to LAHSA any relationship, financial or otherwise, direct or indirect, of the Contractor or any of its officers, directors or employees or their immediate family with the proposed subcontractor and its officers, directors or employees. Further, Contractor shall disclose to LAHSA any relationship, financial or otherwise, direct or indirect its key personnel may have with its officers, directors or employees or their immediate family.
- I. For further clarification of the meaning of any of the terms used herein, the parties agree that references shall be made to the guidelines, rules, and laws of the City of Los Angeles, State of California, and Federal regulations regarding conflict of interest.
- J. The Contractor warrants that it has not paid or given and will not pay or give to any third person any money or other consideration for obtaining this Agreement.
- K. The Contractor covenants that no member, officer or employee of Contractor shall have any interest, direct or indirect, in any contract or subcontract of the proceeds thereof for work to be performed in connection with this project during his/her tenure as such employee, member or officer or for one year thereafter.
- L. The Contractor shall incorporate the foregoing subsections of this section into every agreement that it enters into in connection with this project and shall substitute the term "subcontractor" for the term "Contractor" and "sub-subcontractor" for "Subcontractor".

56. DISCRIMINATION

No person shall, on the grounds of race, sex, creed, color, religion, age or disability or national origin, be excluded from participation in, be refused the benefits of, or otherwise be subject to discrimination in any activities, program or employment supported by this Agreement.

57. AFFIRMATIVE ACTION AND EQUAL EMPLOYMENT PRACTICES

The Contractor shall make every effort to ensure that all projects funded wholly or in part by SJIP funds shall provide equal employment and career advancement opportunities for minorities, women and small businesses. In addition, the Contractor shall make every effort to employ

residents of the area in which this project is located and shall keep a record of the positions that have been created directly as a result of this project.

58. NEPOTISM

- A. Contractor shall avoid hiring or permitting the hiring of any person to fill a position funded through this contract if a member of that person's immediate family is employed in an administrative capacity by Contractor. For the purpose of this section, the term "immediate family" means spouse, child, mother, father, brother, sister, brother-in-law, sister-in-law, father-in-law, mother-in-law, son-in-law, daughter-in-law, aunt, uncle, niece, nephew, stepparent and stepchild. The term "administrative capacity" means having selection, hiring, supervisory or management responsibilities, including but not limited to serving on the governing body of Contractor.
- B. In the event that Contractor hires a member of its immediate family, Contractor must ensure that said family member is supervised by staff who is not related to the family member. This provision also applies to immediate family members who are related to other staff.

59. EQUAL BENEFITS ORDINANCE

- A. During the performance of this contract, the contractor certifies and represents that the contractor will provide equal benefits to its employees with spouses and its employees with domestic partners. Contractor shall sign a Certification of Compliance with Equal Benefits Ordinance of the City of Los Angeles attached hereto as Exhibit M and incorporated herein by this reference.
- B. The contractor agrees to post a copy of Paragraph A hereof in a conspicuous place at its place of business available to employees and applicants for employment.
- C. The contractor shall permit access to and may be required to provide certified copies of all of its records pertaining to employment and to its employment practices to LAHSA, the awarding authority or the Office of the City Administrative Officer, for the purpose of investigation to ascertain compliance with the Equal Benefits Provisions of this contract, and on their or either of their request to provide evidence that it has complied or will comply therewith.
- D. The failure of any contractor to comply with the Equal Benefits Provisions of this contract may be deemed to be a material breach hereof. Such failure shall only be established upon a finding to that effect by LAHSA, the awarding authority, on the basis of its own investigation or that of the Office of the City Administrative Officer. No such finding shall be made except upon a full and fair hearing after notice and an opportunity to be heard has been given to the contractor.
- E. Upon a finding duly made that the contractor has breached the Equal Benefits Provisions of this contract, this contract may be forthwith canceled, terminated or suspended, in whole or in part, by LAHSA, and all monies due or to become due hereunder may be forwarded to and retained by the City of Los Angeles. In addition thereto, such breach

may be the basis for a determination by LAHSA or the Office of the City Administrative Officer, that the said Contractor is an irresponsible bidder pursuant to the provisions of Section 386 of the Los Angeles City Charter. In the event of such determination, such contractor shall be disqualified from being awarded a contract with LAHSA or the City of Los Angeles for a period of two years, or until it shall establish and carry out a program in conformance with the provisions hereof.

- F. Notwithstanding any other provisions of this contract, LAHSA and the City of Los Angeles shall have any and all other remedies at law or in equity for any breach hereof.
- G. Nothing contained in this contract shall be construed in any manner so as to require or permit any act that is prohibited by law.
- H. The equal benefits requirements of this section shall not apply to collective bargaining agreements in effect prior to the effective date of Section 10.8.2.1 of the Los Angeles Administrative Code. Amendments, extensions or other modifications of such collective bargaining agreements, occurring subsequent to the effective date of that section, shall incorporate the equal benefits requirements of that section.
- I. All contractors subject to the provisions of this section shall include a like provision in all subcontracts awarded for work to be performed under the contract with the City and shall impose the same obligations, including but not limited to filing and reporting obligations, on the subcontractors as are applicable to the Contractor. Failure of the contractor to comply with this requirement or to obtain the compliance of its subcontractors with all such obligations shall subject the contractor to the imposition of any and all sanctions allowed by law, including but not limited to termination of the contractor's contract with LAHSA.

60. RELIGIOUS AND POLITICAL ACTIVITIES

Contractor agrees that funds under this Agreement will be used exclusively for performance of the work required herein, and that no funds made available under this Contract shall be used to promote religious or political activities. Further, Contractor agrees that it will not perform, nor permit to be performed, any religious or political activities in connection with the performance of this Agreement.

61. AMERICANS WITH DISABILITIES ACT

- A. Contractor agrees to comply with the requirements of the Americans with Disabilities Act ("ADA") 42 U.S.C. 12101 and to ensure that its programs, services and activities are accessible to and usable by persons with disabilities. Contractor further agrees to provide for reasonable accommodations to allow qualified persons with disabilities to have access to and participate in its programs, services and activities in accordance with the provisions of the ADA.
- B. Contractor will not discriminate against persons with disabilities nor against persons due to their relationship with a person with a disability. Contractor shall not enter into a contract or subcontract that discriminates, whether directly or indirectly, against persons

with disabilities. Contractor shall sign and date Exhibit F attached herein and incorporated in this Agreement by reference.

62. CITIZEN PARTICIPATION

Contractor shall promptly provide all program data necessary for LAHSA to provide reports to citizens. Discussions will be held often enough so that the Contractor will be adequately apprised of citizen recommendations during the course of the program. Contractor representatives shall be available to respond to questions and receive recommendations at local meetings when so requested by the Executive Director or his designee.

63. FEDERAL LOBBYIST REQUIREMENTS

A. The Contractor is prohibited by the Department of Interior and Related Agencies Appropriations Act, known as the Byrd Amendments, and HUD's 24 CFR 87, from using federally appropriated funds for the purpose of influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, loan or cooperative agreement, and any extension, continuation, renewal, amendment or modification of said documents. A Certification Regarding Lobbying is attached hereto as Exhibit E and incorporated herein by this reference.

B. The Contractor must certify in writing that it is familiar with the Federal Lobbyist Requirements and that all persons and/or subcontractors acting on behalf of the Contractor will comply with the Lobbyist Requirements.

C. Failure on the part of the Contractor or persons/subcontractors acting on behalf of the Contractor to fully comply with the Federal Lobbyist Requirements shall be subject to civil penalties.

64. CERTIFICATION REGARDING DEBARMENT

In accordance with Federal regulations regarding debarment as contained in Executive Order Number 12549 and 24 CFR Part 24, Section 24.510, and any amendment thereto, the undersigned attests, to the best of his or her knowledge and belief, that it has adopted and is enforcing A Certification Regarding Debarment, in accordance with the form attached hereto as Exhibit D and incorporated herein by this reference.

65. LEAD-BASED PAINT

When acquiring or leasing property pursuant to this Agreement, Contractor shall comply with the requirements of all Federal, State and local health and safety laws and environmental protection laws including but not limited to the Lead-Based Paint Poisoning Prevention Act, 42 U.S.C. 4822, the Residential Lead-Based Paint Hazard Reduction Act of 1992 ("Title X"), 42 U.S.C. 4851, the regulations at 24 CFR Part 35 and Part 15 U.S.C. 2681 ("Title IV-Lead Exposure Reduction") by undertaking, or requiring the owner to undertake, to remove, encapsulate, or enclose lead-based paint and lead contaminated dust and soil. Contractor is precluded from leasing structures where lead-based paint exists and abatement has not taken place.

66. ASBESTOS

When acquiring or leasing property pursuant to this Agreement, Contractor shall comply with the requirements of all Federal, State and local health and safety laws and environmental protection laws including but not limited to the regulation of Asbestos-Containing Material (ACM), 40 CFR 763, by undertaking, or requiring the owner to undertake, to remove, friable (Category I) and nonfriable (Category II) asbestos in any and all facilities used under this Agreement. Contractor is precluded from using structures where asbestos exists and abatement has not taken place. Contractor is further prohibited from sheltering any adult or minor child in a structure where friable asbestos is known to exist.

67. PROGRAM CHANGES

In the event that Contractor wishes to make significant changes to the approved program under this Agreement, LAHSA and HUD written approval is required in accordance with Supportive Housing Program 24 CFR Part 583.405 prior to any and all changes. Contractor shall request all significant changes in writing to LAHSA. Significant changes include, but are not limited to:

- i) A change in the recipient; or
- ii) A change in the project site; or
- iii) Additions or deletions in the types of activities approved under this Agreement; or
- iv) A shift of more than ten (10) percent of funds from one approved type of activity to another; or
- v) A change in the category of participants to be served; and
- vi) A change in the number of units or participants served in the program.

68. BUDGET LINE ITEM CHANGES

- A. In order to promote flexibility for the program approved under this Agreement, Contractor may transfer up to ten (10) percent of funds from one approved type of grant activity to another grant activity. To implement this type of transfer, Contractor must request LAHSA in writing of the amount of funds to be transferred and the activities affected. LAHSA will notify the Contractor when the change has been approved.
- B. In the event that the Contractor wishes to transfer more than ten (10) percent, Contractor must submit a written request to LAHSA. Contractor shall not implement this type of transfer without prior written approval from LAHSA and HUD.
- C. Budget modifications shall be requested only once a year, preferably, at the end of the program year. Further, Contractor shall not request any budget modification after the SUPERNOVA competition begins.

69. AMENDMENTS

This writing, with attachments, embodies the whole of the agreement of the parties herein. Any amendments or modifications to this Agreement must be in writing and shall be made only if executed by both Contractor and LAHSA. No oral conversation between any officer or agent, or employee of the parties shall modify any the terms or conditions of this Agreement.

70. TIME OF PERFORMANCE MODIFICATIONS

In the event that the Contractor requests a modification regarding the time of performance, the Executive Director may grant time of performance modifications when:

- i) In aggregate do not exceed twelve (12) calendar months;
- ii) Will not change the project goals or scope of services;
- iii) Are in the best interests of LAHSA and Contractor in performing the services under this Agreement; and
- iv) Does not alter the amount of compensation under this Agreement.

71. WAIVERS

- A. Waivers of provisions of this Agreement must be in writing and signed by the Executive Director or his designee and Contractor.
- B. No waiver by LAHSA of a breach of any provision of these conditions shall be deemed for any purpose to be a waiver of breach of any other provision hereof, or of a continuing or subsequent breach of the same provision.

72. BREACH

In the event any party fails to perform, in whole or in part, any promise, covenant, or agreement herein, or should any representation made by it be untrue, any aggrieved party may avail itself of all rights and remedies at law or equity. Said rights and remedies are cumulative of those provided for herein with respect to termination, if any, except that in no event shall any party recover more than once, suffer a penalty, or forfeiture, or be unjustly compensated.

73. DEFAULTS

Should Contractor fail for any reason to comply with the contractual obligations of this Agreement within the time specified herein, LAHSA reserves the right to:

- i) Reduce the total budget;
- ii) Make changes in the scope of services of this Agreement;
- iii) Place Contractor on probation status in accordance with section 75 of this Agreement;
- iv) Suspend project operations in accordance with section 76 of this Agreement; or
- v) Terminate this Agreement.

74. SANCTIONS

LAHSA may impose sanctions for failure to meet conditions specified in this Agreement, including performance. Sanctions will be approved by LAHSA's Executive Director. These sanctions shall include, but are not limited to:

- i) Withholding funds until corrective actions are taken;
- ii) Disallowing costs for activities not in compliance with this Agreement; or
- iii) Termination of this Agreement for failure to perform.

75. PROBATION

- A. LAHSA may place the Contractor on probation for failure to comply with the terms and conditions of this Agreement by giving written notice.
- B. Said notice shall set forth the specific reason(s) for probation, effective date of the probation, period of probation and period provided for corrective action.
- C. Within five (5) working days, the Contractor shall reply in writing acknowledging that it received the probation notice and understands the corrective actions prescribed. In the event that Contractor fails to take the corrective actions prescribed in the time frame provided, LAHSA may suspend this Agreement.
- D. LAHSA shall notify Contractor in writing of the release of the probation period.
- E. In the event that the Contractor is placed on probation two (2) or more times during the term of this Agreement, the following may occur:
 - i) Threshold failure in any future scoring for a Request For Proposal (RFP) or a Request for Qualification (RFQ) released by LAHSA for a period of five (5) years starting from the effective date of probation.
 - ii) Suspension of this Agreement.

76. SUSPENSION

- A. LAHSA may suspend all or part of the Project operations for failure of the Contractor to comply with the terms and conditions of this Agreement by giving written notice.
- B. Said notice shall set forth the specific conditions of non compliance, effective date of suspension, period of suspension and period provided for corrective action.
- C. Within five (5) working days, the Contractor shall reply in writing acknowledging that it received the suspension notice and understands the corrective actions prescribed.
- D. During the suspension period, Contractor shall cease to operate the program funded herein. In the event that Contractor continues to operate the program, LAHSA shall not be liable for any and all expenses incurred during the suspension notice.
- E. Performance under this Agreement shall be automatically suspended without any notice from LAHSA as of the date that the Contractor is not fully insured in compliance with section 44 subsection E of this Agreement.
- F. Contractor shall not resume program activities following a suspension until LAHSA authorizes the reactivation of the program in writing.
- G. In the event that the Contractor is subjected to suspension one (1) or more times during the term of this Agreement, the following may occur:

- i) Termination of this Agreement; or
- ii) Threshold failure in any future scoring for a Request For Proposal (RFP) or a Request for Qualification (RFQ) released by LAHSA for a period of five (5) years starting from the effective date of probation.

77. TERMINATION FOR CONVENIENCE

During the term of this Agreement, LAHSA may terminate this Agreement for any reason at all upon thirty (30) days prior written notice. The Executive Director, or his designee, is hereby authorized to give said notice on behalf of the LAHSA subject to ratification by the LAHSA Board of Commissioners. In the event that LAHSA terminates this Agreement for convenience, Contractor shall be entitled to a prorated portion paid for all satisfactory work unless such termination is made for cause, in which event, compensation if any, shall be adjusted in such termination.

78. TERMINATION FOR CAUSE

- A. This Agreement may be terminated by LAHSA upon written notice to the Contractor for just cause (failure to perform satisfactorily) with no penalties incurred by LAHSA upon termination or upon the occurrence of any of the following events listed below. The Executive Director, or his designee, is hereby authorized to give said notice on behalf of LAHSA subject to ratification by the LAHSA Board of Commissioners.
- B. Should the Contractor fail to perform all or any portion of the work required to be performed hereunder in a timely and good workmanlike manner or properly carry out the provisions of the Agreement in their true intent and meaning, LAHSA shall terminate the activities of the Contractor in whole or in part.
- C. Should the Contractor neglect, or inadequately respond or refuse to provide a means for satisfactory compliance with this Agreement and with the corrective actions provided by LAHSA within the time specified in such notice or report, LAHSA shall terminate the activities of the Contractor in whole or in part.
- D. LAHSA may immediately terminate this Agreement upon the termination, suspension, discontinuation or substantial reduction in SHP funding for the contract activity or if for any reason the timely completion of the work under this Agreement is rendered improbable, unfeasible or impossible.
- E. This contract may also be terminated or suspended in LAHSA's sole discretion for actions and behavior by Contractor's staff that undermines the integrity of the Program, including but not limited to client, child and staff endangerment, inappropriate and reckless staff behavior, contract noncompliance and health code violations.

79. TERMINATION PROCEDURES

- A. All property, documents, data, studies, reports and records purchased or prepared by the Contractor under this Agreement shall be disposed of according to LAHSA directives.

- B. In the event that Contractor ceases to operate, (i.e. dissolution of corporate status, declaration of bankruptcy, etc.) Contractor shall provide LAHSA copies of all records relating to this Agreement.
- C. Upon satisfactory completion of all termination activities, LAHSA shall determine the total amount of compensation that shall be paid to Contractor for any unreimbursed expenses reasonably and necessarily incurred in the satisfactory performance of this Agreement.
- D. LAHSA may withhold any payments due to Contractor until such time as the exact amount of damages due to LAHSA from the Contractor is determined.
- E. The foregoing subsections A, B, C, D, and E shall also apply to Agreements terminating upon date specified in section 6 of this Agreement.

80. EFFECT OF TERMINATION

- A. In the event that LAHSA terminates this Agreement, Contractor shall not be eligible for funding under any Request For Proposals (RFP) or a Request For Qualifications (RFQ) released by LAHSA for a period of five (5) years starting from the effective date of termination.
- B. In the event that Contractor terminates this Agreement, Contractor shall not be eligible for funding under any RFP or a Request For Qualifications (RFQ) released by LAHSA for a period of three (3) years starting from the effective date of termination.

81. NOTICES OF SUSPENSION AND TERMINATION

In the event that this Agreement is suspended or terminated, the contractor shall immediately notify all employees and participants and shall notify in writing all other parties contracted under this Agreement within five (5) working days.

82. PROHIBITION OF LEGAL PROCEEDINGS

The Contractor is prohibited from using grant funds received under this Agreement, or funds realized as a result of this Agreement, for the purpose of instituting legal proceedings against LAHSA or HUD or their official representatives.

83. EFFECT OF LEGAL JUDGMENT

Should any covenant, condition or provision herein contained be held to be invalid by final judgment in any court of competent jurisdiction, the invalidity of such covenant, condition or provision shall not in any way affect any other covenant, condition or provision herein contained.

84. CHOICE OF LAW GOVERNING THIS AGREEMENT

This Agreement shall be interpreted under and be governed by the laws of the State of California, except for those provisions relating to choice of law or those provisions preempted by federal law.

85. INTEGRATED AGREEMENT

This Agreement sets forth all of the rights and duties of the parties with respect to the subject matter hereof, and replaces any and all previous agreements or understandings, whether written or oral, relating thereto. This Agreement may be amended only as provided for herein.

86. CONTRACT

This Agreement consists of this document and Exhibits A through N which together constitute the entire understanding and agreement of the parties.

87. AUTHORIZATION WARRANTY

Contractor represents and warrants that the signatory to this contract is fully authorized to obligate Contractor hereunder and that all corporate acts necessary to the execution of this contract have been accomplished.

IN WITNESS WHEREOF, the Los Angeles Homeless Services Authority and the Contractor have caused this Agreement to be executed by their duly authorized representatives.

Executed this _____ day of _____, 2003

For: LOS ANGELES HOMELESS SERVICES AUTHORITY

By: _____
Print Name: MITCHELL NETTURN
Title: EXECUTIVE DIRECTOR

Corporate Seal Attached:

Executed this _____ day of _____, 2003

For: DEPARTMENT OF CHILDREN AND FAMILY SERVICES (DCFS)

Internal Revenue Service ID Number: 95-4498831

By: _____
Print Name: DAVID SANDERS, Ph.D.
Title: DIRECTOR, DCFS

ATTEST:

APPROVED AS TO FORM BY THE OFFICE OF
THE COUNTY COUNSEL:
LLOYD W. PELLMAN, COUNTY COUNSEL

BY: _____
Print Name:
Title:

APPROVED BY BARBARA M. GOHL,
PRINCIPAL DEPUTY COUNTY

IN WITNESS WHEREOF, the Los Angeles Homeless Services Authority and the Contractor have caused this Agreement to be executed by their duly authorized representatives.

Executed this _____ day of _____, 2003

For: LOS ANGELES HOMELESS SERVICES AUTHORITY

By: _____
Print Name: MITCHELL NETBURN
Title: EXECUTIVE DIRECTOR

Corporate Seal Affixed:

Executed this _____ day of _____, 2003

For: DEPARTMENT OF CHILDREN AND FAMILY SERVICES (DCFS)

Internal Revenue Service ID Number: 95-4498834

By: _____
Print Name: DAVID SANDERS, Ph.D.
Title: DIRECTOR, DCFS

ATTEST:

APPROVED AS TO FORM BY THE OFFICE OF
THE COUNTY COUNSEL:
LLOYD W. PELLMAN, COUNTY COUNSEL

By: _____
Print Name:
Title:

APPROVED BY BARBARA Y. GOUR,
PRINCIPAL DEPUTY COUNTY

**EXHIBIT A
PROJECT DESCRIPTION**

CONTRACTOR: DCFS	CONTRACT NUMBER: CA16B200004
PROJECT TITLE: Transitional Housing Program for Homeless Young People	
PROJECT TERM: 4/1/2003 through 3/31/2005	
CONTRACT AMOUNT: \$210,000.00	
PROGRAM COMPONENT: Transitional Housing	
PROJECT LOCATION: 1855/ Larkin Avenue Palmdale, CA 93550	
CATALOGUE OF FEDERAL DOMESTIC ASSISTANCE (C.F.D.A.) NUMBER: 14.235	

EXHIBIT A (CONTINUED)
PROJECT DESCRIPTION

CONTRACTOR: DCFS	CONTRACT NUMBER: CA16B200004
<p>PROJECT CONDITIONS AND/OR ISSUES:</p> <p>IF YOUR AGENCY DID NOT HAVE ANY CONDITIONS OR ISSUES, TYPE NONE IN THIS SECTION.</p> <p>IF YOUR AGENCY HAD CONDITIONS OR ISSUES, PLEASE INDICATE THEM (JUST COPY VERBETIM FROM THE HUD LETTER) AND INDICATE THE AGENCY'S RESPONSE AS WELL. THE LATTER SHOULD BE ADDRESSED TO YOUR SATISFACTION AND IN THE FORM IT WAS SUBMITTED TO HUD IF YOU HAD A CONDITION. CONSULT WITH YOUR TEAM LEADER IF YOU HAVE ANY QUESTIONS..</p> <p>Conditions:</p> <ol style="list-style-type: none">1) <u>Special Discharge Policy Certification Form</u>. Not applicable. LAHSA will provide this to HUD.2) <u>Leasing / Less Than Arms Length</u>: This project cannot go into grant execution until there is a resolution from HUD's Office of general Counsel regarding the less-than-arms length and actual leasing cost issue. The budget proposed in this Technical Submission <u>does not</u> request SHP funds for leasing of apartments owned by the County of Los Angeles Community Development Commission. For this reason, the County of Los Angeles Department of Children and Family Services (DCFS) requests that grant execution not be delayed.3) <u>Discharge Statement</u>. Not applicable. LAHSA will provide this narrative to HUD. <p>ISSUES</p> <ol style="list-style-type: none">1) <u>Grant Term</u>: The DCFS acknowledges that the grant term is for two years and not three years. The budgets in this Technical Submission reflect a two-year grant period.2) <u>Special Capacity Management Plan</u>. The DCFS understand that HUD has issued a condition that a grant agreement for this project cannot be executed until the DCFS provide a written management plan to avoid slow draw downs and surplus balances.	

SPECIAL CAPACITY MANAGEMENT PLAN

In February 2002, a new management team consisting of a newly appointed Division Chief for Emancipation Services (ESD), Michael Olenick and new Housing Director, Karen Compton-Moore assumed the management of the DCFS Transitional Housing Program. Prior to the appointment of this new team the program was poorly managed under three different Housing Directors and three different Division Chiefs. The program's ability to achieve full operating capacity was hampered by the County of Los Angeles and the Department's many restrictive policies i.e. hiring practices and procurement procedures. Other contributing factors included a lack of training and over site monitoring by HUD/LAIIISA.

Understanding the need to restructure the Transitional Housing Program the Division Chief immediately met with Arthur Johnson, Supervisory Public Trust Officer and the Public Trust staff at HUD to present a new direction for the program and request a year long period to allow the new structure to take effect. Immediately following the meeting, the Housing Director, Karen Compton-Moore implemented a new program structure within the goals and objectives stated in the grant application.

As of April 2003, Transitional Housing Program is fully operational and reports the following accomplishments/challenges.

Program Restructuring:

Under the new management team all projects will start on the designed start date, the property management staff will acquire and maintain full bed inventory and the intake and case management staff will maintain full bed capacity. A new outreach program to recruit more former foster youth into the program was implemented in March 2002. The average number of youth on our waiting list is 47.

Project Capacity:

HUD-CA16B200-004 Project Identifier (PIN): CA 7003

HUD CA16B200004 is at 97% capacity and has acquired a full 20 bed capacity.

Apartment Acquisition:

Response: The projects have been slow to start in the past due to the insufficient number of apartments available. The program has been able to correct this problem by identifying and securing appropriate housing for participants using these strategies: 1) THP Property Management works closely with management companies (i.e. Main Street Realtors and Beyond Shelter) to locate affordable properties that will accept THP youth. 2) In response to the reluctance of some landlords to lease apartments to the target population, THP introduced a revised document called "The Rent Guarantee Agreement" (RGA) to be signed by DCFS officials and the landlord which states that if a unit is damaged, the landlord receives one month's rent for repairs. In addition, the signing procedure was refined to expedite the approval

process for these agreements and, as a result, get new apartments on line more quickly

Difficulty in acquiring apartments due to Owners unwillingness to accept Rent Guarantee Agreements:

Response: The apartment industry is accustomed to a lease document as the contractual agreement to secure an apartment. The County uses its "RGA" which limits the County's liability. This RGA limits the County's damage liability to one (1) month's rent equivalency (however, if warranted, the County will pay more for damages). This caveat is included in the RGA to eliminate any fraudulent claims against the County. 90% of apartment Owners approached to provide apartments for THP refuse, because of this condition.

Increase the rate of youth admitted to apartments by requesting a longer stay after youth is terminated from Foster Care:

Response: The Social Worker is notified to request termination of youth from Foster Care once THP Property Management notifies THP Intake that an apartment is ready. The Social Worker then petitions the Court for termination of the youth. The current stay is 7 days. If the Social Worker can be notified when the apartment is first vacated—with the 30 day stay – the apartment will be ready for occupancy as soon as the youth is terminated, resulting in a faster rate of admission for the youth. The current stay is 7 days. There are currently 47 youth on the TH waiting list.

The Division will request that the Children's Court grant a 30 day stay for the youth once a case is terminated which will allow an apartment to be occupied sooner, reducing the vacancy period for apartments.

Property Management's responsibility in getting an apartment ready for occupancy:

Response: Some landlords prefer to prepare units for occupancy themselves. Other landlords permit DCFS Property Management to restore the apartment for renting. When DCFS has responsibility for apartment readiness for occupancy, the apartment is ready within 30 days. (Landlords do not have an incentive to work rapidly in restoring the apartments as they continue to receive rents without penalty, while the apartment is being readied for occupancy). Rent Guarantee Agreements (RGA) will be modified to include a provision specifying the maximum days allowed for the apartments not ready for occupancy in 30 days will have future rents withheld until the apartment is ready.

Slow rate of apartment occupancy due to obstacles in the County Procurement Procedures for acquiring furniture. County Procurement Procedures require that furniture be acquired through a competitive bid process which can take up to six months to complete:

Response:

FSID Administration/THP Property Management will request Procurement to conduct annually a competitive bid process to identify a vendor for furniture purchases by THP. Once a vendor is

selected a Purchase Order can be established which will allow furniture to be purchased expeditiously, thus reducing the waiting period for the youth to move into their apartment.

Slow Spenddown:

The financial management staff tracks the timeliness of each grant through the quarterly financial report which reflects the rate of monthly grant expenditures and projections and reports to program management if the grant is on track to spend all of the allocated funds during the grant period and recommending remedies where the budget is being under spent. Since the program is now at 97% staffing and we are nearing 90% project capacity all of the grant funds during the operating year should be spent. TIIP financial management will utilize the budget modification request procedures when funds need to be reallocated, within the budget, due to underspending.

HUD CA16B200004 had a slow start due to low staffing and slow project acquisition. At the end of the second operating year the project had only 13 beds. Now that THP has full staffing and the project is operating at full capacity the entire grant funds should be spent in future years.

We project under spending of about \$50,000 in the 3rd/Final Year of the Grant. This can be related to the then allowed carry over by LAHSA of any unspent money in the 1st year of the Grant to the 2nd and 3rd/Final year of the grant.

Staff Turnover:

During the past year the program has filled a number of staff vacancies. THP staffing is now at 97% per cent which will allow the program to offer better services to residents of the program and correspondingly increase the rate of expenditures for the Grants.

Communications/relations with HUD/LAHS

Over the past year HUD/LAHS and DCFS have established good communications and are working closely together to improve DCFS/TIIP. In addition, two (2) monitoring visits, one from HUD and one from LAHS several meetings have occurred between HUD, DCFS/THP management staff and the ESD Design Team. In addition, all of the DCFS/THP staff have participated in one or two financial management training workshops which have increased staff's knowledge of the TIIP procedures and practices while improving services. TIIP staff is now better aware of eligible costs that can be claimed to the grants.

The Division Chief and members of the ESD Design Team have met with staff from both HUD and LAHS and agreed upon a plan to improve performance relative to the HUD Grants.

HUD Training/Monitoring: During the past year the entire program staff has participated in one (1) or two (2) of two (2) HUD sponsored training on "Program and Financial Management for Homeless Grantees". As a result of this training program staff has a better understanding of the rules and procedures of the Homeless Grantee Program. THP management has requested and HUD has tentatively agreed to repeat this training annually.

Arms Length Issue:

On November 18, 2002, DCFS responded to the "Arms Length" issue, raised in the monitoring visit in Jul/August of that year, in a letter addressed to Arthur L. Johnson of HUD. To date, we have not received a response to that letter, resolving the issue.

DCFS/THP management has implemented a temporary solution, pending a decision by HUD's Office of General Counsel (OGC), to the issue of using SHP leasing money to pay rents (to non profits) for properties owned by the Los Angeles County Community Development Commission (LACDC) but leased to non-profit organizations, by using another source of DCFS funds to pay rent for these properties; and , thus alleviating the "less than arms length" issue raised in the 2002 HUD monitoring visit

EXHIBIT A (CONTINUED)
PROJECT DESCRIPTION

CONTRACTOR: DCFS	CONTRACT NUMBER: CA16B200004
<p>PROJECT SUMMARY:</p> <p><u>Overview:</u> The program serves up to 20 emancipating foster youth (including youth with children) at one time, providing the housing, skills and support they need to succeed as independent adults. The program fills a gap in the continuum of care in Los Angeles County for young people (ages 18-21) who become homeless after they leave the foster care system by moving them beyond the earlier component of the continuum of care (outreach, assessment, shelter) to permanent affordable housing. Program participants reside in one and two bedroom apartments, typically for a period of one year, while participating in a wide range of supportive services provided by DCFS and co-operating agencies. The program provides <i>housing</i> (furnished apartments, utilities, household supplies, stipends for food and personal needs); <i>savings account management</i> (serving/housing needs are assessed and tracked according to an intake assessment and case management protocol); <i>life skills education</i> (weekly independent living skills workshops); <i>career and employment development</i> (career and personal counseling, stipends for cost of school registration, books, and school clothing; employment preparation, job placement and follow-up support for job maintenance and career development); job placement, health services, substance abuse intervention, and specialized counseling). <i>Other services</i> include transportation (bus tokens/passes) and child care assistance and parenting education, if applicable. The program assists young people in identifying, securing and moving into <i>permanent housing</i> and provides <i>follow-up support</i> while they adjust to living on their own, including access to a Transitional Resource Center for drop-in referral services.</p>	

EXHIBIT A (CONTINUED)
PROJECT DESCRIPTION

CONTRACTOR: DCFS

CONTRACT NUMBER:
CA16B200004

PROJECT ACTIVITIES:

The program provides *housing* (furnished apartments, utilities, household supplies, stipends for food and personal needs); *savings account management* (serving/housing needs are assessed and tracked according to an intake, assessment and case management protocol); *life skills education* (weekly independent living skills workshops); *career and employment development* (career and personal counseling); *stipends* for cost of school registration, books, and school clothing, employment preparation, job placement and follow-up support for job maintenance and career development); job placement, health services, substance abuse interventions, and specialized counseling). *Other services* include transportation (bus tokens/passes) and child care assistance and parenting education, if applicable. The program assists young people in identifying, securing and moving into *permanent housing* and provides *follow-up support* while they adjust to living on their own, including access to a Transitional Resource Center for drop-in and referral services.

EXHIBIT A (CONTINUED)
PROJECT DESCRIPTION

CONTRACTOR: DCFS

CONTRACT NUMBER:
CA16B200004

PROGRAM GOALS (type in goals as stated in the technical submission):

I. OBTAIN AND REMAIN IN PERMANENT HOUSING

1. 90% of participants will complete the Independent Living Program prior to completing the transitional housing program (based on attending 20 hours of instruction and demonstrating competency in all curriculum areas)
2. During their stay in the transitional housing program, 90% of participants will save enough money to move into permanent housing.
3. 90% of participants will still be in permanent housing by the end of the six month follow-up period.

II. INCREASED SKILLS AND/OR INCOME

4. 75% of the participants who do not have a high school diploma will earn a GED prior to completing the transitional housing program
5. a) 40% of participants will enroll (either part-time or full time-time) in community college, a four-year college, or a vocational training program during their stay in the transitional housing program; and b) 75% of those participating in a vocational training program will complete the program prior to exiting the transitional housing.
6. 60% of participants not in school will be employed full-time upon exiting the transitional housing program
7. 75% of youth with an identified special need that cannot be addressed in the transitional housing program will be referred to an appropriate mainstream health or other human service program within 14 days of entering the program

III. ACHIEVE GREATER SELF-DETERMINATION

8. 60% of participants will not be dependent on public assistance programs within 12 months of exiting the transitional housing program.
9. 75% of participating single parents will not be referred to Child Protective Services within 12 months of exiting the transitional housing program.

The success of the program in achieving its stated goals and objectives is measured based on records kept and maintained by the Case Managers (also known as Social Workers) which detail each youth's participation in program activities and services and success in achieving program outcomes. The Case Managers submit weekly reports to the Housing Services Manager for program evaluation. In addition, the DCFS transitional housing program participates in a comprehensive evaluation conducted by the USC Social Work Research by the Weingart Foundation, assesses the effectiveness of the program design in achieving HUD's goals and uses data collected in monitoring the above performance measures as well as other data to be determined by the evaluators.

EXHIBIT B

PARTICIPANT ELIGIBILITY GUIDE

Organization Category	What to Verify	This means:
Persons living on the street	Certify that the persons served reside on the street.	For those SHP projects providing services—such as outreach, food, health care, clothing—to persons who reside on the streets (but not in shelters or other places meant for human habitation), the outreach or service worker needs to sign and date a general certification that: <ol style="list-style-type: none"> 1) verifies that the services are going to homeless persons, and 2) indicates where the persons served reside.
Persons coming from living on the street (and into a place meant for human habitation)	Obtain information to indicate that the participant is coming from the street.	You must verify that an individual is coming from the street through: <ul style="list-style-type: none"> • organizations or outreach workers who have assisted him/her in the past; • determining where the resident receives assistance checks, if applicable; and/or • other information regarding the participant's recent past activities. <p>Document your verification efforts! Your staff should prepare a statement, that is then signed and dated.</p> <p>As a last resort, if you are unable to verify in this manner that the person is coming from living on the street, the participant or a staff member may prepare a short written statement about the participant's previous living place and have the participant sign the statement and date it.</p>
Persons coming from an emergency shelter	Verify from the emergency shelter staff that the participant has been residing at the emergency shelter.	You need to obtain from the referring agency a written, signed, and dated verification that the individual has been a resident of the emergency shelter.
Persons coming from transitional housing for homeless persons	Verify with the transitional housing staff that: <ul style="list-style-type: none"> • the participant has been residing at the transitional housing; and • the participant was living on the streets or in an emergency shelter prior to living in the 	You must obtain from the referring agency two written, signed, and dated verifications: <ol style="list-style-type: none"> 1) a signed statement from the transitional housing staff indicating that the individual had been a resident there, and 2) the referring agency's written, signed, and dated verification as to the individual's homeless status when he/she entered their program. <p>If the referring agency did not verify the individual's homeless status upon entry into their program, you will need to verify that <u>on your own</u>. That is, in addition to the</p>

	transitional housing facility or was discharged from an institution or evicted prior to living in the transitional housing and would have been homeless if not for the transitional housing.	written, signed, and dated verification from the referring agency that the individual has been residing in the transitional housing, you need to verify their status upon entry into transitional housing and document that status according to the instructions here. (For example, if the person was living on the streets before moving into the transitional housing, you will need to obtain the documentation required under "Persons coming from living on the street" above).
Persons being evicted from a private dwelling	Have evidence of the eviction proceedings.	<p>You need to obtain two types of information.</p> <ol style="list-style-type: none"> 1) documentation of: <ul style="list-style-type: none"> • the income of the participant; • what efforts were made to obtain housing; and • why, without the homeless assistance, the participant would be living on the street or in an emergency shelter. 2) Documentation of <i>one of the following</i>. <ul style="list-style-type: none"> • <i>For formal eviction proceedings</i>, evidence that the participant was being evicted within the week before receiving homeless assistance; • <i>Where a participant's family is evicting</i>, a signed and dated statement from a family member describing the reason for the eviction; • <i>Where there is no formal eviction process</i> (in these cases, persons are considered evicted when they are forced out of the dwelling unit by circumstances beyond their control), two things are needed: <ul style="list-style-type: none"> – a signed and dated statement from the participant describing the situation; and – documentation and verification (through written, signed, and dated statements) of efforts to confirm that these circumstances are true.
Persons from a short-term stay (up to 30 consecutive days) in an institution who previously resided on the street or in an emergency shelter	Verify from the institution staff that the participant has been residing at the institution and was homeless before entering the institution.	<p>You must obtain:</p> <ol style="list-style-type: none"> 1) written verification from the institution's staff that the participant has been residing in the institution for less than 31 days; and 2) information on the previous living situation. Preferably, this will be the institution's written, signed, and dated verification on the individual's homeless status when he/she entered the institution. If the institution's staff did not verify the individual's homeless status upon entry into the institution, you will need to verify that yourself according to the instructions above in 1) of the

		person was living on the streets before moving into the institution, you will need to obtain the documentation required under "Persons coming from living on the street").
Persons being discharged from a longer stay in an institution	Verify from the institution staff that the participant has been residing at the institution and will be homeless if not provided with assistance.	<p>You need to obtain signed and dated:</p> <ol style="list-style-type: none"> 1) evidence from the institution's staff that the participant was being discharged within the week before receiving homeless assistance; and 2) documentation of the following: <ul style="list-style-type: none"> - the income of the participant; - what efforts were made to obtain housing; and why, without the homeless assistance, the participant would be living on the street or in an emergency shelter.
Persons fleeing domestic violence	Verify that the participant is fleeing a domestic violence situation.	<p>You must obtain written, signed, and dated verification from the participant that he/she is fleeing a domestic violence situation.</p> <p>If the participant is unable to prepare the verification, you may prepare a written statement about the participant's previous living situation and have the participant sign and date it.</p>

NOTE:

Documentation of homelessness is required for each resident in your program, and must be written, signed, dated, and placed in participant files. Simply knowing that each individual you serve is homeless is not enough.

Participant Eligibility Worksheet

Project Name: _____

Participant Name: _____

Date of Intake: _____

Type of Homeless Documentation (Check the appropriate type of documentation used to verify homelessness and attach it to this worksheet. Maintain these forms in each participant file.)

Persons living on the street	A signed and dated general certification from an outreach worker verifying that the services are going to homeless persons, and indicates where the persons served reside.	
Persons coming from living on the street (and into a place meant for human habitation)	Staff should provide written information obtained from third party regarding the participant's whereabouts, and, then sign and date the statement.	
Persons coming from an emergency shelter for homeless persons	Written referral from the agency.	
Persons coming from transitional housing for homeless persons	Written verifications to include program residency and homeless status prior to program entry.	
Persons being evicted from a private dwelling	Documentation of income, efforts to obtain housing, why participant would be on the street, and either documentation of formal eviction proceedings or statement from family evicting participant.	
Persons from a short-term stay in an institution who previously resided on the street or in an emergency shelter	Written verification from the institution's staff that the participant has been residing in the institution for less than 31 days; and information on the previous living situation.	
Persons being discharged from a longer stay in an institution	Written verification from the institution discharge within one week of receiving homeless assistance AND documentation of income, efforts to obtain housing, and why person would be homeless without assistance.	
Persons fleeing domestic violence	Written, signed, and dated verification from the participant.	

EXHIBIT C
PROJECT BUDGET

BUDGET SUMMARY **SUPPORTING HOUSING PROGRAM** **RENEWAL PROJECTS**

CONTRACTOR: Agency Name
CONTRACT NUMBER: Contract Number: CA16B200004
AMENDMENT NUMBER:
AMENDMENT DATE:

	2 YEAR TOTAL			YEAR 1		YEAR 2	
	SHP REQUEST	CASH MATCH	TOTAL BUDGET	SHP REQUEST	CASH MATCH	SHP REQUEST	CASH MATCH
1. ACQUISITION	\$ -	\$ -	\$ -				
2. REHABILITATION	\$ -	\$ -	\$ -				
3. NEW CONSTRUCTION	\$ -	\$ -	\$ -				
4. Subtotal (lines 1 thru 3) *	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5. REAL PROPERTY LEASING	\$ 73,962	\$ 58,119	\$ 132,080	\$ 38,381	\$ 79,059	\$ 38,381	\$ 79,059
6. SUPPORTIVE SERVICES **	\$ 64,978	\$ 277,716	\$ 342,692	\$ 32,488	\$ 139,856	\$ 32,488	\$ 139,856
7. OPERATIONS ***	\$ 61,062	\$ 113,224	\$ 174,286	\$ 30,531	\$ 56,612	\$ 30,531	\$ 56,612
8. Subtotal (lines 5 thru 7)	\$ 200,000	\$ 549,058	\$ 749,058	\$ 100,000	\$ 274,529	\$ 100,000	\$ 274,529
9. ADMINISTRATION ****	\$ 10,000	\$ -	\$ 10,000	\$ 5,000		\$ 5,000	
10. TOTAL	\$ 210,000	\$ 549,058	\$ 759,058	\$ 105,000	\$ 274,529	\$ 105,000	\$ 274,529

* The SHP request for these activities cannot exceed \$400,000, and a dollar for dollar cash match is required at the project level.

** The SHP request for Supportive Services cannot be more than 85% of the 2 year total Supportive Services budget.

*** The SHP request for Operations cannot be more than 50% of the total Operations budget for years 1 and 2.

**** Administrative Costs are limited to 5% of the total SHP request.

**SUPPORTIVE HOUSING PROGRAM
REAL PROPERTY LEASING
STRUCTURES CONFIGURED FOR UNIT-BASED HOUSING**

CONTRACTOR: Agency Name
CONTRACT NUMBER: Contract Number: CA 6B200004

NAME OF METROPOLITAN OR NON-METROPOLITAN FAIR AREA:																																																																							
ADDRESS (IF SCATTERED-SITE, INDICATE SO):																																																																							
<table border="1"> <thead> <tr> <th>SIZE OF UNITS</th> <th># OF UNITS STRUCTURE</th> <th>FAIR MARKET RENT</th> <th>YEAR 1</th> <th>YEAR 2</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>1. SRO</td> <td></td> <td></td> <td></td> <td></td> <td>\$ -</td> </tr> <tr> <td>2. 0 BDRM</td> <td></td> <td></td> <td></td> <td></td> <td>\$ -</td> </tr> <tr> <td>3. 1 BDRM</td> <td></td> <td></td> <td></td> <td></td> <td>\$ -</td> </tr> <tr> <td>4. 2 BDRM</td> <td>10</td> <td>\$ 987</td> <td>\$ 36,981</td> <td>\$ 36,981</td> <td>\$ 73,962</td> </tr> <tr> <td>5. 3 BDRM</td> <td></td> <td></td> <td></td> <td></td> <td>\$ -</td> </tr> <tr> <td>6. 4 BDRM</td> <td></td> <td></td> <td></td> <td></td> <td>\$ -</td> </tr> <tr> <td>7. 5 BDRM</td> <td></td> <td></td> <td></td> <td></td> <td>\$ -</td> </tr> <tr> <td>8. 6 BDRM</td> <td></td> <td></td> <td></td> <td></td> <td>\$ -</td> </tr> <tr> <td>9. OTHER</td> <td></td> <td></td> <td></td> <td></td> <td>\$ -</td> </tr> <tr> <td>TOTAL</td> <td></td> <td></td> <td>\$ 36,981</td> <td>\$ 36,981</td> <td>\$ 73,962</td> </tr> </tbody> </table>						SIZE OF UNITS	# OF UNITS STRUCTURE	FAIR MARKET RENT	YEAR 1	YEAR 2	TOTAL	1. SRO					\$ -	2. 0 BDRM					\$ -	3. 1 BDRM					\$ -	4. 2 BDRM	10	\$ 987	\$ 36,981	\$ 36,981	\$ 73,962	5. 3 BDRM					\$ -	6. 4 BDRM					\$ -	7. 5 BDRM					\$ -	8. 6 BDRM					\$ -	9. OTHER					\$ -	TOTAL			\$ 36,981	\$ 36,981	\$ 73,962
SIZE OF UNITS	# OF UNITS STRUCTURE	FAIR MARKET RENT	YEAR 1	YEAR 2	TOTAL																																																																		
1. SRO					\$ -																																																																		
2. 0 BDRM					\$ -																																																																		
3. 1 BDRM					\$ -																																																																		
4. 2 BDRM	10	\$ 987	\$ 36,981	\$ 36,981	\$ 73,962																																																																		
5. 3 BDRM					\$ -																																																																		
6. 4 BDRM					\$ -																																																																		
7. 5 BDRM					\$ -																																																																		
8. 6 BDRM					\$ -																																																																		
9. OTHER					\$ -																																																																		
TOTAL			\$ 36,981	\$ 36,981	\$ 73,962																																																																		
2. NAME OF METROPOLITAN OR NON-METROPOLITAN FAIR AREA:																																																																							
ADDRESS (IF SCATTERED-SITE, INDICATE SO):																																																																							
<table border="1"> <thead> <tr> <th>SIZE OF UNITS</th> <th># OF UNITS STRUCTURE</th> <th>FAIR MARKET RENT</th> <th>YEAR 1</th> <th>YEAR 2</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>1. SRO</td> <td></td> <td></td> <td></td> <td></td> <td>\$ -</td> </tr> <tr> <td>2. 0 BDRM</td> <td></td> <td></td> <td></td> <td></td> <td>\$ -</td> </tr> <tr> <td>3. 1 BDRM</td> <td></td> <td></td> <td></td> <td></td> <td>\$ -</td> </tr> <tr> <td>4. 2 BDRM</td> <td></td> <td></td> <td></td> <td></td> <td>\$ -</td> </tr> <tr> <td>5. 3 BDRM</td> <td></td> <td></td> <td></td> <td></td> <td>\$ -</td> </tr> <tr> <td>6. 4 BDRM</td> <td></td> <td></td> <td></td> <td></td> <td>\$ -</td> </tr> <tr> <td>7. 5 BDRM</td> <td></td> <td></td> <td></td> <td></td> <td>\$ -</td> </tr> <tr> <td>8. 6 BDRM</td> <td></td> <td></td> <td></td> <td></td> <td>\$ -</td> </tr> <tr> <td>9. OTHER</td> <td></td> <td></td> <td></td> <td></td> <td>\$ -</td> </tr> <tr> <td>TOTAL</td> <td></td> <td></td> <td>\$ -</td> <td>\$ -</td> <td>\$ -</td> </tr> </tbody> </table>						SIZE OF UNITS	# OF UNITS STRUCTURE	FAIR MARKET RENT	YEAR 1	YEAR 2	TOTAL	1. SRO					\$ -	2. 0 BDRM					\$ -	3. 1 BDRM					\$ -	4. 2 BDRM					\$ -	5. 3 BDRM					\$ -	6. 4 BDRM					\$ -	7. 5 BDRM					\$ -	8. 6 BDRM					\$ -	9. OTHER					\$ -	TOTAL			\$ -	\$ -	\$ -
SIZE OF UNITS	# OF UNITS STRUCTURE	FAIR MARKET RENT	YEAR 1	YEAR 2	TOTAL																																																																		
1. SRO					\$ -																																																																		
2. 0 BDRM					\$ -																																																																		
3. 1 BDRM					\$ -																																																																		
4. 2 BDRM					\$ -																																																																		
5. 3 BDRM					\$ -																																																																		
6. 4 BDRM					\$ -																																																																		
7. 5 BDRM					\$ -																																																																		
8. 6 BDRM					\$ -																																																																		
9. OTHER					\$ -																																																																		
TOTAL			\$ -	\$ -	\$ -																																																																		
Real Property Leasing for Structures Configured for Unit-Based Housing - SHP REQUEST																																																																							
			\$ 36,981	\$ 36,981	\$ 73,962																																																																		

**SUPPORTIVE HOUSING PROGRAM
REAL PROPERTY LEASING
STRUCTURES CONFIGURED FOR GROUP HOUSING AND / OR SERVICES**

CONTRACTOR: Agency Name:
CONTRACT NUMBER: Contract Number: CA78B2C1004

Structure 1 Address	MONTHLY LEASE COST	# OF MONTHS PER YEAR	YEAR 1	YEAR 2	TOTAL
					\$ -
Structure 2 Address					\$ -
Structure 3 Address					\$ -
Structure 4 Address					\$ -
Real Property Leasing for Structures Configured for Group Housing and/or Services - SHP REQUEST			\$ -	\$ -	\$ -

(Note: If more than 4 structures are used, please duplicate / modify this form)

SUMMARY:

REAL PROPERTY LEASING	YEAR 1	YEAR 2	TOTAL
Subtotal Structures Configured for Unit-Based Housing (page 2)	\$ 36,981	\$ 36,981	\$ 73,962
Subtotal Structures Configured for Group Housing and/or Services (above)	\$ -	\$ -	\$ -
TOTAL REAL PROPERTY LEASING - SHP REQUEST	\$ 36,981	\$ 36,981	\$ 73,962

SUPPORTIVE HOUSING PROGRAM SUPPORTIVE SERVICES

EXHIBIT C - PROJECT BUDGET
Page 4 of 5

CONTRACTOR: Agency Name
CONTRACT NUMBER: Contract Number- CA16B200004

PERSONNEL Position/Title	ANNUAL SALARY	%	YEAR 1	%	YEAR 2	TOTAL
1 Case Manager (Social Worker)	\$ 60,480	100	\$ 23,716	100	\$ 23,716	\$ 47,432
2						\$ -
3						\$ -
4						\$ -
5						\$ -
6						\$ -
7						\$ -
(Use additional rows if necessary)						
Subtotal, Salaries			\$ 23,716		\$ 23,716	\$ 47,432
Total Fringe Benefits & Payroll Taxes			\$ 8,772		\$ 8,772	\$ 17,544
Supportive Services Personnel Expenses			\$ 32,488		\$ 32,488	\$ 64,976
NON-PERSONNEL						
Expense Type			YEAR 1		YEAR 2	TOTAL
1 Child Care			\$ -		\$ -	\$ -
2 Food			\$ -		\$ -	\$ -
3 Employment/Assistance (Transportation)			\$ -		\$ -	\$ -
4 Permanent Housing Assistance			\$ -		\$ -	\$ -
5						\$ -
6						\$ -
7						\$ -
(Use additional rows if necessary)						
Supportive Services Non-Personnel Expenses			\$ -		\$ -	\$ -
SUPPORTIVE SERVICES BUDGET - SHP REQUEST			\$ 32,488		\$ 32,488	\$ 64,976

% = Percentage of Salary Paid by SHP

SUPPORTIVE HOUSING PROGRAM OPERATING BUDGET

EXHIBIT C - PROJECT BUDGET
Page 5 of 2

CONTRACTOR: Agency Name
CONTRACT NUMBER: Contract Number- CA16B200004

PERSONNEL		ANNUAL	%	YEAR 1	%	YEAR 2	TOTAL
Position/Title	SALARY						
1. Program Director (CSA III) (1)	\$ 85,224	100	\$ 3,071	100	\$ 3,071	\$ 6,142	
2. Property Manager (1)	\$ 34,155	100	\$ 1,230	100	\$ 1,230	\$ 2,460	
3. Intake Coordinator (1)	\$ 34,155	100	\$ 1,230	100	\$ 1,230	\$ 2,460	
4. Intake Coordinator Asst. (1)	\$ 65,544	100	\$ 2,361	100	\$ 2,361	\$ 4,722	
5. Property Manager Asst. (2)	\$ 35,568	100	\$ 1,281	100	\$ 1,281	\$ 2,562	
6. Accountant (1)	\$ 48,804	100	\$ 1,758	100	\$ 1,758	\$ 3,516	
7. Accounting Technician I (2)	\$ 33,300	100	\$ 1,200	100	\$ 1,200	\$ 2,400	
8. Secretaries (4)	\$ 138,192	100	\$ 4,978	100	\$ 4,978		
9. Office Manager (1)	\$ 37,872	100	\$ 1,364	100	\$ 1,364		
(Use additional rows if necessary)							
Subtotal, Salaries				\$ 18,473	\$ 18,473	\$ 24,262	
Total Fringe Benefits & Payroll Taxes				\$ 6,833	\$ 6,833	\$ 13,666	
Operating Personnel Expenses				\$ 25,306	\$ 25,306	\$ 37,928	
NON-PERSONNEL				YEAR 1	YEAR 2	TOTAL	
Expense Type							
1. Maintenance and Repair						\$ -	
2. Utilities						\$ -	
3. Household Supplies						\$ -	
4. Renters Insurance				\$ 4,225	\$ 4,225	\$ 8,450	
5. Furnishings & Equipment						\$ -	
6. Household Supplies						\$ -	
7. Office Services/Supplies				\$ 1,000	\$ 1,000	\$ 2,000	
(Use additional rows if necessary)						\$ -	
Operating Non-Personnel Expenses				\$ 5,225	\$ 5,225	\$ 10,450	
OPERATING BUDGET - SHP REQUEST				\$ 30,531	\$ 30,531	\$ 48,378	

% = Percentage of Salary Paid by SHP

SUPPORTIVE HOUSING PROGRAM ADMINISTRATIVE BUDGET

EXHIBIT C - PROJECT BUDGET
Page 3 of 8

CONTRACTOR: Agency Name
CONTRACT NUMBER: Contract Number- CA16B2000C4

PERSONNEL		ANNUAL	%	YEAR 1	%	YEAR 2	TOTAL
Position/Title		SALARY					
1. Accounting Director (ASMP)		\$ 61,010	100.00	\$ 3,650		\$ 3,650	\$ 7,300
2. Welfare Fiscal Analysis							\$ -
3.							\$ -
4.							\$ -
5.							\$ -
6.							\$ -
7.							\$ -
(Use additional rows if necessary)							\$ -
Subtotal - Salaries				\$ 3,650	\$	\$ 3,650	\$ 7,300
Total Fringe Benefits				\$ 1,350	\$	\$ 1,350	\$ 2,700
Administrative Personnel Expenses				\$ 5,000	\$	\$ 5,000	\$ 10,000
NON PERSONNEL							
Expense Type				YEAR 1		YEAR 2	TOTAL
1.							\$ -
2.							\$ -
3.							\$ -
4.							\$ -
5.							\$ -
6.							\$ -
7.							\$ -
(Use additional rows if necessary)							\$ -
Administrative Non-Personnel Expenses				\$ -	\$	\$ -	\$ -
ADMINISTRATIVE BUDGET - SHP REQUEST				\$ 5,000	\$	\$ 5,000	\$ 10,000

% = Percentage of Salary Paid by SHP

* Note: Only costs related to Accounting, Auditing & Reporting are eligible Administrative Activities

SUPPORTIVE HOUSING PROGRAM CASH MATCH

EXHIBIT C - PROJECT BUDGET
10/20/2018

CONTRACTOR: Agency Name
CONTRACT NUMBER: Contract Number- CA16B200004

CASH MATCH		SOURCE OR PROVIDER		RATE OF SERVICE		TOTAL
(examples)						
Private Donations		Fundraising		Actual	\$	2,500
City Government Grant		City of XYZ		Actual	\$	22,000
1 Independent Living Program (ILP) - Federal Government					\$	549,058
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
(use additional rows if necessary)						
TOTAL CASH MATCH					\$	549,058

Note: Cash Match must equal or exceed 3 -year total as reported on Budget Summary (page 1).

SUPPORTIVE HOUSING PROGRAM IN-KIND CONTRIBUTIONS

CONTRACTOR: Agency Name
CONTRACT NUMBER: Contract Number CA16B200004

IN KIND CONTRIBUTIONS	SOURCE OR PROVIDER	RATE OF SERVICE	TOTAL VALUE
(examples)			
Computer Training	Angeles Community Center	\$25/pers/22/class	\$ 2,000
Hygiene Products	Shelter Helpers	\$1,000/shipment	22,000
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
(use additional rows if necessary)			
TOTAL VALUE OF IN-KIND CONTRIBUTIONS			\$ -

C

□

9

TOTAL RECEIVED

0
9
0

5: Contracts, voices: 1999 5:1P - 2:00

EXHIBIT D

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION LOWER TIER COVERED TRANSACTIONS

This certification is required by the regulations implementing Executive Order 12549, Debarment and Suspension, 24 CFR Part 24 Section 24.510, Participants' responsibilities.

By signing and submitting this document, the prospective recipient of Federal assistance funds is providing the certification as set out below.

The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective recipient of Federal assistance funds knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

The prospective recipient of Federal assistance funds shall provide immediate written notice to the person to which this agreement is entered, if at any time the prospective recipient of Federal assistance funds learns that its certification was erroneous, when submitted or has become erroneous by reason of changed circumstances.

The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549.

The prospective recipient of Federal assistance funds agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.

The prospective recipient of Federal assistance funds further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Procurement or Non-Procurement Programs.

EXHIBIT D (CONTINUED)
INSTRUCTIONS FOR CERTIFICATION

Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

Except for transactions authorized under Paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

The prospective recipient of Federal assistance funds certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

Where the prospective recipient of Federal assistance funds is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

CONTRACTOR: DEPARTMENT OF CHILDREN AND FAMILY SERVICES (DCFS)

CONTRACT NUMBER: CA16B200004

NAME & TITLE OF AUTHORIZED REPRESENTATIVE:

DAVID SANDERS, Ph.D., DIRECTOR, DCFS

SIGNATURE

DATE

EXHIBIT D (CONTINUED)
INSTRUCTIONS FOR CERTIFICATION

Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

Except for transactions authorized under Paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

The prospective recipient of Federal assistance funds certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

Where the prospective recipient of Federal assistance funds is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

CONTRACTOR: **DEPARTMENT OF CHILDREN AND FAMILY SERVICES (DCFS)**

CONTRACT NUMBER: **CA16B200004**

NAME & TITLE OF AUTHORIZED REPRESENTATIVE:

DAVID SANDERS, Ph.D., DIRECTOR, DCFS

SIGNATURE

DATE

EXHIBIT E

CERTIFICATION REGARDING LOBBYING

Certification for Contracts, Grants, Loans and Cooperative Agreements

Contractor and each lobbyist firm, as defined in Los Angeles County Code Chapter 2.160 (Ordinance 93-0031), retained by the Contractor, shall fully comply with the requirements as set forth in said County Code. The Contractor must also certify in writing that it is familiar with the Los Angeles County Code Chapter 2.160 and that all persons acting on behalf of the Contractor will comply with the County Code.

Failure on the part of the Contractor and/or Lobbyist to fully comply with the County's Lobbyist requirements shall constitute a material breach of the contract upon which the LAHSA may immediately terminate this Contract and the Contractor shall be liable for civil action.

The Contractor is prohibited by the Department of Interior and Related Agencies Appropriations Act, known as the Byrd Amendments, and HUD's 24 CFR 87, from using federally appropriated funds for the purpose of influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, loan or cooperative agreement, and any extension, continuation, renewal, amendment or modification of said documents.

The Contractor must certify in writing that it are familiar with the Federal Lobbyist Requirements and that all persons and/or subcontractors acting on behalf of the Contractor will comply with the Lobbyist Requirements.

Failure on the part of the Contractor or persons/subcontractors acting on behalf of the Contractor to fully comply with the Federal Lobbyist Requirements shall be subject to civil penalties.

The undersigned certifies, to the best of his or her knowledge and belief, that:

No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan or cooperative agreement.

EXHIBIT E (CONTINUED)
CERTIFICATION REGARDING LOBBYING

If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form LLL "Disclosure Form to Report Lobbying" in accordance with its instructions.

The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352 Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

CONTRACTOR: **DEPARTMENT OF CHILDREN AND FAMILY SERVICES (DCFS)**

CONTRACT NUMBER: **CA16B200004**

NAME & TITLE OF AUTHORIZED REPRESENTATIVE:

DAVID SANDERS, Ph.D., DIRECTOR, DCFS

SIGNATURE

DATE

EXHIBIT E (CONTINUED)
CERTIFICATION REGARDING LOBBYING

If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-1111, "Disclosure Form to Report Lobbying" in accordance with its instructions.

The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352 Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

CONTRACTOR: **DEPARTMENT OF CHILDREN AND FAMILY SERVICES (DCFS)**

CONTRACT NUMBER: **CA16B200004**

NAME & TITLE OF AUTHORIZED REPRESENTATIVE:

DAVID SANDERS, Ph.D., DIRECTOR, DCFS

SIGNATURE

DATE

EXHIBIT F

CERTIFICATION REGARDING COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT

The undersigned certifies, that to the best of his/her knowledge and belief, that:

The Contractor/Borrower/Agency (hereinafter Contractor) is in compliance with and will continue to comply with the Americans with Disabilities Act 42 U.S.C. 12101 et seq. and its implementing regulations.

The Contractor will provide for reasonable accommodations to allow qualified individuals with disabilities to have access to and participate in its programs, services and activities in accordance with the provisions of the Americans with Disabilities Act.

The Contractor will not discriminate against persons with disabilities nor against persons due to their relationship or association with a person with a disability.

The Contractor will require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when the parties entered into this transaction.

CONTRACTOR: DEPARTMENT OF CHILDREN AND FAMILY SERVICES (DCFS)

CONTRACT NUMBER: CA16B200004

NAME & TITLE OF AUTHORIZED REPRESENTATIVE:

DAVID SANDERS, Ph.D., EXECUTIVE DIRECTOR

SIGNATURE

DATE

EXHIBIT F

CERTIFICATION REGARDING COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT

The undersigned certifies, that to the best of his/her knowledge and belief, that:

The Contractor/Borrower/Agency (hereinafter Contractor) is in compliance with and will continue to comply with the Americans with Disabilities Act 42 U.S.C. 12101 et seq. and its implementing regulations.

The Contractor will provide for reasonable accommodations to allow qualified individuals with disabilities to have access to and participate in its programs, services and activities in accordance with the provisions of the Americans with Disabilities Act.

The Contractor will not discriminate against persons with disabilities nor against persons due to their relationship or association with a person with a disability.

The Contractor will require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when the parties entered into this transaction.

CONTRACTOR: DEPARTMENT OF CHILDREN AND FAMILY SERVICES (DCFS)

CONTRACT NUMBER: CA16B200004

NAME & TITLE OF AUTHORIZED REPRESENTATIVE:

DAVID SANDERS, Ph.D., EXECUTIVE DIRECTOR

SIGNATURE

DATE

EXHIBIT K

24 CFR PART 583

EXHIBIT G **INSURANCE REQUIREMENTS**

CONTRACTOR: DEPARTMENT OF CHILDREN AND FAMILY SERVICES (DCFS)

CONTRACT NUMBER: CA16B200004

The following coverages noted with an "X" are required with the Combined Single Limits (CSL) as noted on the right.

Limits

(X) Worker's Compensation		Statutory
(X) Employer's Liability		<u>\$500,000.00</u>
<input type="checkbox"/> Broad Form All States Endorsement		
<input type="checkbox"/> Voluntary Compensation Endorsement		
<input type="checkbox"/> Longshoremen's and Harbor Worker Workers' Compensation Act Endorsement		
(X) General Liability _____		<u>\$1,000,000.00</u>
<input type="checkbox"/> Premises and Operations	<input type="checkbox"/> Explosion Hazard	
<input type="checkbox"/> Contractual Liability	<input type="checkbox"/> Collapse Hazard	
<input type="checkbox"/> Independent Contractors	<input type="checkbox"/> Underground Hazard	
<input type="checkbox"/> Products/Completed Operations	<input type="checkbox"/> Garagekeepers Legal Liability	
<input type="checkbox"/> Broad Form Property Damage	<input type="checkbox"/> Hangar Keepers Legal Liability	
<input type="checkbox"/> Personal Injury	<input type="checkbox"/> Owned Automobiles	
<input type="checkbox"/> Broad Form Liability Endorsement	<input type="checkbox"/> Non-owned Automobiles	
<input type="checkbox"/> Fire Legal Liability	<input type="checkbox"/> Hired Automobiles	
<input type="checkbox"/> Watercraft Liability	<input type="checkbox"/> Incidental Medical Malpractice	
(X) Automobile Liability (if auto is used for this contract)		<u>\$1,000,000.00</u>
<input type="checkbox"/> Owned Automobiles		
<input type="checkbox"/> Non-Owned Automobiles		
<u> </u> Professional Liability (if applicable)		\$ _____
<u> </u> Property Insurance _____		\$ _____
<input type="checkbox"/> Extended Coverage	<input type="checkbox"/> Debris Removal	
<input type="checkbox"/> Vandalism & Malicious Mischief	<input type="checkbox"/> Sprinkler Leakage	
<input type="checkbox"/> Flood	<input type="checkbox"/> Windstorm	
<input type="checkbox"/> Earthquake \$ _____	<input type="checkbox"/> Other _____	
<u> </u> Aircraft Liability (Bodily injury and property Damage)		\$ _____
<input type="checkbox"/> Passenger Liability (per seat) \$ _____		
<u> </u> Ocean Marine Liability _____		\$ _____
<input type="checkbox"/> Protection and Indemnity	<input type="checkbox"/> Cargo	
<input type="checkbox"/> Running Down Clause	<input type="checkbox"/> Inchmaree Clause	
<input type="checkbox"/> Pollution	<input type="checkbox"/> Charter's Legal Liability	
<input type="checkbox"/> Jones Act	<input type="checkbox"/> Wharfinger's Liability	
(X) Fidelity Bond		<u>\$25,000.00</u>
(X) Directors and Officers Insurance		<u>\$-2,000,000</u>

EXHIBIT G (CONTINUED)
INSURANCE REQUIREMENTS

Workers' Compensation coverage: If you have been authorized by the State of California to self-insure Workers' Compensation, a copy of the certificate from the State consenting to self-insurance will meet the evidence requirement.

Acceptable Evidence. Contractor shall provide LAHSA with a certificate of insurance as form of evidence of insurance. Further, Contractor shall submit a certified copy of the full policy upon request by LAHSA.

Multiple Policies. More than one insurance policy may be required to comply with the insurance requirements.

Signature. Please have an authorized representative of the insurance company manually sign the completed endorsement forms. Signatures must be originals, facsimile (rubber stamp, photocopy, etc.) or initialed signatures will not be accepted.

Underwriter. The name and address of the insurance company underwriting the coverage must be noted on the endorsement form. In the case of syndicates or subscription policies, indicate lead underwriters or managing agent and attach a schedule of subscribers, including their percent participation.

Document Reference. Include reference to the specific agreement (contract, lease, etc.) or indicate that all such agreements are covered.

Coverage & Limits. The coverage's and limits for each type of insurance are specified on the insurance requirement sheet. When coverage is on a scheduled basis, a separate sheet may be attached to the endorsement listing such scheduled locations, vehicles, etc., so covered.

Excess Insurance. Endorsements to excess policies will be required when primary insurance is insufficient to comply with the requirements.

Additional Pages. If there is insufficient space on the reverse side of the form to note pertinent information, such as inclusions, exclusions or specific provisions, etc., attach separate sheets and note this on the endorsement form.

Renewals. For extensions or renewals of insurance policies which have Los Angeles Homeless Services Authority's Endorsement attached, a renewal endorsement or a certificate (with an original signature) as evidence of continued coverage is acceptable if it includes the statement that the insurance protection afforded Los Angeles Homeless Services Authority has been renewed under the same terms and conditions as previously approved. If the policy or carrier has changed, however, new evidence of insurance must be submitted.

Exhibit H - LAHSA Small/Informal Bids Form

Agency Name _____

Contract # _____

Purchase Item _____

Quantity _____

Specifications:

Three Quotes:

1st Company _____

Phone: _____

Address _____

City, State, Zip _____

Contact Person: _____

Quote Date _____

Quote Cost: \$ _____

2nd Company _____

Phone: _____

Address _____

City, State, Zip _____

Contact Person: _____

Quote Date _____

Quote Cost: \$ _____

3rd Company _____

Phone: _____

Address _____

City, State, Zip _____

Contact Person: _____

Quote Date _____

Quote Cost: \$ _____

Bids Obtained by: _____

Signature

**U. S. Department of Housing
and Urban Development
Office of Community Planning
and Development**

Annual Progress Report (APR)

for

Supportive Housing Program

Shelter Plus Care

and

**Section 8 Moderate Rehabilitation
for Single Room Occupancy
Dwellings (SRO) Program**

Public reporting burden for this collection of information is estimated to average 20 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This action may not be conducted on a respondent, and a person is not required to respond to a collection of information unless that collection displays a valid OMB control number.

General Instructions

Purpose. The Annual Progress Report (APR) tracks program progress and accomplishments in the Department's competitive homeless assistance programs.

Filing Requirements. Recipients of HUD's homeless assistance grants must submit 2 APR'S to HUD within 90 days after the end of each operating year. One copy of the report must be submitted to the CPE Division Director in the local HUD Field Office responsible for managing the grant. The other copy must be submitted to HUD Headquarters, Department of Housing and Urban Development, Attn: APR Data Editor, Room 7262, 451 7th Street, SW, Washington, DC 20410. Failure to submit an APR will delay receiving grant funds and may result in a determination of lack of capacity for future funding. An APR must be submitted for each operating year in which HUD funding is provided.

Grantees that received SHP funding for new construction, acquisition, or rehabilitation are required to operate their facilities for 20 years. They must submit an APR 90 days after the end of the first operating year and any year in which they use SHP funding for leasing, supportive services, or operations. For years in which they do not receive SHP funding, they must submit an Annual Certification of Continued Project Operation throughout the 20 years. The certification can be found at the back of this APR.

A separate report must be submitted for each HUD grant received. For Shelter Plus Care, a separate APR must be submitted for each Shelter Plus Care component.

For those grantees receiving an extension, a separate report covering that period must be submitted (see Extension below).

Recordkeeping. Grantees must collect and maintain information on each participant in order to complete an APR. Optional worksheets are attached. The worksheets may be used to record information manually or to design a computerized system to store and tabulate the information. The worksheets should not be submitted to HUD with the APR.

Organization of the Report. The APR is organized in the following manner:

Part I: Project Progress. This portion of the report describes the progress in moving homeless persons to self-sufficiency, services received, project goals, and beds created.

Part II: Financial Information. This portion of the report is completed by all grantees receiving funding under SHP, S+C, and SRO.

Final Assembly of Report. After the entire report is assembled, number every page sequentially. Mark any questions that do not apply to your program with "N/A" for not applicable. (See Special Instructions for SSO Projects below.)

Definitions. The following terms are used in the APR. As indicated, in some cases, terms are applied differently depending on whether the funding is from SHP, S+C, or SRO.

Chronically homeless person – HUD defines a chronically homeless person as "an unaccompanied homeless individual with a disabling condition who has either been continuously homeless for a year or more OR has had at least four (4) episodes of homelessness in the past three (3) years." To be considered chronically homeless a person must have been on the streets or in an emergency shelter (i.e. not transitional housing) during these stays.

Disabling condition - HUD defines "disabling condition" as "a diagnosable substance use disorder, serious mental illness, developmental disability, or chronic physical illness or disability, including the co-occurrence of two or more of these conditions."

Entered the program for S+C and SRO projects means when the participant starts to receive rental assistance. For S+C, services provided prior to this point are recognized as necessary for outreach/enrollment and are eligible to count as match.

An **Extension APR** applies to SHP and S+C grantees that requested and received an extension of their grant term from the HUD field office. The only difference between an APR for the extension period and the regular APR (besides the amount of time covered) is the signature page. Grantees should circle "yes" to indicate the APR is for an extension period, and circle the operating year for which the report is an extension. For example, if the grantee is extending year 1, the grantee should submit an APR as usual for year 1 and submit another APR for the extension period, indicating the second is an extension and also circling year 2 on the signature page.

Family means a household composed of two or more related persons, at least one of whom is an adult. Caregivers are not reported on in the APR.

Grantee means a direct recipient of the HUD award.

Left the program for S+C projects means when the participant stops receiving rental assistance and is not expected to return to S+C assisted housing. If the participant returns to S+C assisted housing within 90 days, the person should not be considered as exiting from the program. If the person returns to S+C assisted housing after 90 days, that person is considered a new participant. The worksheet is designed to capture this information.

Match for S+C means the value of supportive services received by participants in the S+C project which, in the aggregate, must at least equal the value of the S+C rental assistance provided over the life of the project. For SHP, match means cash used to provide the grantee's portion of acquisition, rehabilitation, new construction, operations and supportive services expenses.

Operating year for SHP means the date when participants begin to receive housing and/or services. The first operating year begins after development activities for acquisition, rehabilitation, and new construction are complete, after a copy of the Certificate of Occupancy is sent to the local HUD office, and when the first participant is accepted into the project. For projects without acquisition, rehabilitation, or new construction, the operating start date begins when the grantee accepts the first participant. For S+C (SRA, PRA and TRA components), the first operating year begins on the date HUD signs the grant agreement. For S+C/SRO and for Sec. 8 SRO, the first operating year begins with the effective date of the Housing Assistance Payments (HAP) Contract.

To determine which operating year to circle on the APR cover page, begin counting from the initial grant operating start date and include renewals grants. For example, a project receiving an initial grant for three years and a renewal grant for two years would circle years 1, 2, and 3 respectively on the APR cover sheet for the initial grant and would circle 4 and 5 respectively for the renewal grant. For any future renewal grants, the grantee would begin by circling 6 on the APR cover sheet.

Participant means single persons and adults in families who received assistance during the operating year. Participant does not include children or caregivers who live with the adults assisted.

Project Sponsor means the organization responsible for carrying out the daily operation of the project, if the organization is an entity other than the grantee.

Special Instructions For Supportive Service Only Projects. SSO grantees should complete all questions, unless a written agreement has been reached with the field office concerning which questions can be answered using estimates, or in rare instances, skipped.

Below is an example of how information could be derived in a large, single-service SSO project.

A grantee/sponsor staff member could be assigned to collect information from the organizations housing the participants. The staff person would contact these individual organizations to request information regarding the persons in that facility that use the service. For participants living on the street, the grantee/project sponsor may provide estimates.

Information could be collected for each participant or for participants receiving services at a point-in-time. If estimates or point-in time counts are used, the method used must be described in the APR and the documentation kept on file.

As with all projects funded under HUD's homelessness assistance grants, grantees operating SSO projects are expected to complete all APR questions that are applicable to them. Note that all projects have been awarded funds as a result of responding to the program goals of assisting homeless persons obtain/remain in permanent housing and increase their skills and income. The APR documents their progress in meeting these goals.

In some circumstances field offices and grantees may sign a written agreement concerning questions which can be answered using estimates, or in rare instances, skipped. Below are some considerations for reporting on particular types of projects:

Outreach Only Projects. – Projects which are solely devoted to street outreach and connection to housing and services are not required to track participants beyond their contact with persons on the street. It is sufficient for these

projects to enter information on questions 1-10 (skipping questions 11-13 and 17). Estimates for questions 5-9 are allowed, given that participants may be reluctant to answer personal questions.

Answering the questions will demonstrate that the grantee is serving the appropriate number of people, providing basic demographic information for Congress, demonstrating that homeless persons are being served, demonstrating the types of housing participants are connected to, and the type of services they are receiving.

Hotline Projects. Hotline services are similar to outreach projects, but contact between grantee and participant is often of very short duration - people enter and leave the program nearly simultaneously. It is sufficient for these projects to answer questions 1-5 (skipping 4), 10, and 14-19 (skipping 17).

Projects Providing Services To Children Only. - Projects that provide child care, after school care, counseling for children, etc. make an important contribution toward moving a family out of homelessness. While the main focus of the project is providing services to the children, it is the adults who are reported on in questions 6-16 of the APR. Like all other projects, this type is also targeted toward getting the families into housing and increasing the families' incomes.

Grantees may skip question 9; all other questions should be answered (except 17).

Transportation, Medical, Dental, and Other Single, Short-Duration Service Projects. - Some grantees provide a single service of fairly short duration focused ONLY indirectly on assisting homeless persons to obtain/remain in permanent housing and increase their skills and incomes. It is sufficient for these projects to enter information on questions 1-10 and 14-19 (question 17 may be skipped). However, with transportation services, it is unreasonable to think that someone would have to give their age, race, and ethnicity to a bus driver to get a ride a few blocks.

For these services, provide a narrative, which gives the number of rides given during the operating year, and provides estimates on the above statistics based on the population that utilizes the service.

Special Instructions For Safe Haven (SH) Projects. - Grantees are reminded that they are to report ONLY on the number of participants the application was approved for (cannot exceed 25 participants).

Homeless Management Information System (HMIS) Projects. - HMIS grantees should fill out the cover sheet of the APR (marking HMIS at the bottom) and Part II Financial Information. The APR also has a sheet that lists HMIS activities.

THIS PAGE - TO BE COMPLETED BY ALL GRANTEES

Grantee: Los Angeles Homeless Services Authority HUD Grant or Project Number: _____

Project Sponsor: _____ Project Name: _____

Operating Year (Circle the operating year being reported on) Reporting Period: _____
(month/day/year)
☐1 ☐2 ☐3 ☐4 ☐5 ☐6 ☐7 ☐8 ☐9 ☐10
☐11 ☐12 ☐13 ☐14 ☐15 ☐16 ☐17 ☐18 ☐19 ☐20
 Indicate if extension: ☐ Yes ☐ No
 from: _____ to: _____
 Indicate if renewal: ☐ Yes ☐ No

Previous Grant Numbers for this project: _____

(Check the component for the program on which you are reporting.)

Supportive Housing Program (SHP)	Shelter Plus Care (S+C)	Section 8 Moderate Rehabilitation
<input type="checkbox"/> Transitional Housing	<input type="checkbox"/> Tenant-based Rental Assistance (TRA)	<input type="checkbox"/> Single Room Occupancy
<input type="checkbox"/> Permanent Housing for Homeless Persons with Disabilities	<input type="checkbox"/> Sponsor-based Rental Assistance (SRA) <input type="checkbox"/> Project-based Rental Assistance (PRA)	(Sec. 8 SRO)
<input type="checkbox"/> Safe Haven	<input type="checkbox"/> Single Room Occupancy (SRO)	
<input type="checkbox"/> Innovative Supportive Housing		
<input type="checkbox"/> Supportive Services Only		
<input type="checkbox"/> HMIS		

Summary of the project. (One or two sentences with a description of population, number served and accomplishments this operating year)

Name & Title of the Person who can answer questions about this report: _____ Phone: (include area code) _____
 Grantee: Jaymie Filippini, Sr. Contract Specialist Grantee: (213)683-3322
 Project Sponsor: _____ Project Sponsor: _____
 Grantee Address: 548 S. Spring St., Los Angeles, CA 90013 Grantee Fax Number: (213) 892-0093
 Project Sponsor Address: _____ Project Sponsor Fax Number: _____
 Grantee E-mail Address: jfilippi@lansa.org Project Sponsor E-mail Address: _____

I hereby certify that all the information stated herein is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012, 34 U.S.C. 3729, 3802)

Name & Title of Authorized Grantee Official: Mitchell Netburn, Executive Director Signature & Date: _____

Name and Title of Authorized Project Sponsor/Officer: _____ Signature & Date: _____

PART I. TO BE COMPLETED BY ALL GRANTEES (EXCEPT HMIS)

SSO GRANTEES, PLEASE SEE SPECIAL INSTRUCTIONS ON PAGE 3 OF THE APR

Part I: Project Progress

1. **Projected Level of Persons to be served at a given point in time.** (from the application, SHP- Sec. E; SPC- Sec. D, SRO- Sec. D)

	Projected Level	Number of Singles Not in Families	Number of Adults in Families	Number of Children in Families	Number of Families
a.	Persons to be served at a given point in time				

2. **Persons Served during the operating year.**

		Number of Singles Not in Families	Number of Adults in Families	Number of Children in Families	Number of Families
a.	Number on the first day of the operating year				
b.	Number entering program during the operating year				
c.	Number who left the program during the operating year				
d.	Number in the program on the last day of the operating year (a + b - c) = d				

3. **Project Capacity.**

		Number of Singles Not in Families	Number of Adults in Families	Number of Children in Families	Number of Families
a.	Number on the last day (from 2d, columns 1 and 4)				
b.	Number proposed in application (from 1a, columns 1 and 4)				
c.	Capacity Rate (divide a by b) = %	%			%

4. **Non-homeless persons.** This question is to be completed for Section 8 SRO projects

How many income-eligible non-homeless persons were housed by the SRO program during the operating year?	
---	--

5. **Age and Gender.** Of those who entered the project during the operating year, how many people are in the following age and gender categories?

Single Persons (from 2b, column 1)		Age	Male	Female
	a.	62 and over		
	b.	51-61		
	c.	31-50		
	d.	18-30		
	e.	17 and under		
Persons in Families (from 2b, columns 2 & 3)		Age	Male	Female
	f.	62 and over		
	g.	51-61		
	h.	31-50		
	i.	18-30		
	j.	13-17		
	k.	12 and under		
	l.	1-12		
	m.	Under 1		

Answer questions 6 - 10 only for participants who entered the project during the operating year (from 2b, columns 1 & 2). The term **participant** means single persons and adults in families. It does not include children or caregivers. NOTE: The total for questions, 7, 8 and 10 below should be the same; respond to each of those questions for all participants. Some of the questions listed throughout the APR will be asking information for individuals who are chronically homeless.

6a. **Veterans Status.** A veteran is anyone who has ever been on active military duty status.

How many participants were veterans?

6b. **Chronically homeless person** An unaccompanied homeless individual with a disabling condition who has either been continuously homeless for a year or more OR has had at least four (4) episodes of homelessness in the past three (3) years. To be considered chronically homeless a person must have been on the streets or in an emergency shelter (i.e. not transitional housing) during these stays.

How many participants were **chronically homeless** individuals?

7. **Ethnicity** How many participants are in the following ethnic categories?

a.	Hispanic or Latino	
b.	Non-Hispanic or Non-Latino	

8. **Race.** How many participants are in the following racial categories?

a.	American Indian/Alaskan Native	
b.	Asian	
c.	Black/African American	
d.	Native Hawaiian/Other Pacific Islander	
e.	White	
f.	American Indian/Alaskan Native & White	
g.	Asian & White	
h.	Black/African American & White	
i.	American Indian/Alaskan Native & Black/African American	
j.	Other Multi-Racial	

9a. **Special Needs.** How many participants have the following? Participants may have more than one. If so, count them in all applicable categories. For each condition, also indicate the number that were **chronically homeless**.

		All	Chronic
a.	Mental illness		
b.	Alcohol abuse		
c.	Drug abuse		
d.	HIV/AIDS and related diseases		
e.	Developmental disability		
f.	Physical disability		
g.	Domestic violence		
h.	Other (please specify)		

9b. How many of the participants are disabled?

10. **Prior Living Situation.** How many participants slept in the following places in the week prior to entering the project? (For each participant, Choose one place). Also, indicate how many **chronically homeless** participants slept in the following places. (Choose one)

		All	Chronic
a.	Non-housing (street, park, car, bus station, etc.)		
b.	Emergency shelter		
c.	Transitional housing for homeless persons		
d.	Psychiatric facility*		
e.	Substance abuse treatment facility*		
f.	Hospital*		
g.	Jail/prison*		
h.	Domestic violence situation		
i.	Living with relatives/friends		
j.	Rental housing		
k.	Other (please specify)		

*If a participant came from an institution but was there less than 30 days and was living on the street or in emergency shelter before entering the treatment facility, he/she should be counted in either the street or shelter category, as appropriate.

Complete questions 11 - 15 for all participants who left during the operating year (from 2c, columns 1 and 2). The term participant means single persons and adults in families. It does not include children or caregivers. The term **chronically homeless person** means an unaccompanied homeless individual with a disabling condition who has either been continuously homeless for a year or more OR has had at least four (4) episodes of homelessness in the past three (3) years. To be considered chronically homeless a person must have been on the streets or in an emergency shelter (i.e. not transitional housing) during these stays.

11. **Amount and Source of Monthly Income at Entry and at Exit.** Of those participants who left during the operating year, how many participants were at each monthly income level and with each source of income? Also, please place the monthly income level and each source of income for **chronically homeless persons** in the second column of each chart. The number of participants in Chart A and B should be the same.

		All	Chronic
	A. Monthly Income at Entry		
a.	No income		
b.	\$1-\$50		
c.	\$1-\$1-\$250		
d.	\$251-\$500		
e.	\$501-\$1,000		
f.	\$1,001-\$1,500		
g.	\$1,501-\$2,000		
h.	\$2,001 +		

		All	Chronic
	C. Income Sources At Entry		
a.	Supplemental Security Income (SSI)		
b.	Social Security Disability Income (SSDI)		
c.	Social Security		
d.	General Public Assistance		
e.	Temporary Aid to Needy Families (TANF)		
f.	State Children's Health Insurance Program (SCHIP)		
g.	Veterans Benefits		
h.	Employment Income		
i.	Unemployment Benefits		
j.	Veterans Health Care		
k.	Medicaid		
l.	Food Stamps		
m.	Other (please specify)		
n.	No Financial Resources		

		All	Chronic
	B. Monthly Income at Exit		
a.	No income		
b.	\$1-150		
c.	\$151 - \$250		
d.	\$251 - \$500		
e.	\$501 - \$1,000		
f.	\$1001 - \$1500		
g.	\$1501 - \$2000		
h.	\$2001 +		

		All	Chronic
	D. Income Sources at Exit		
a.	Supplemental Security Income (SSI)		
b.	Social Security Disability Income (SSDI)		
c.	Social Security		
d.	General Public Assistance		
e.	Temporary Aid to Needy Families (TANF)		
f.	State Children's Health Insurance Program (SCHIP)		
g.	Veterans Benefits		
h.	Employment Income		
i.	Unemployment Benefits		
j.	Veterans Health Care		
k.	Medicaid		
l.	Food Stamps		
m.	Other (please specify)		
n.	No Financial Resources		

- 12a. **Length of Stay in Program.** Of those participants who left during the operating year (from 2c, columns 1 and 2), how many were in the project for the following lengths of time? Also, please place the length of stay for chronically homeless persons in the second column.

		All	Chronic
a.	Less than 1 month		
b.	1 to 2 months		
c.	3 - 6 months		
d.	7 months - 12 months		
e.	13 months - 24 months		
f.	25 months - 3 years		
g.	4 years - 5 years		
h.	6 years - 7 years		
i.	8 years - 10 years		
j.	Over 10 years		

- 12b. **Length of Stay in Program.** For those participants that did not leave during the operating year (from 2d, columns 1 and 2), how long have they been in the project? Also, please place the length of stay for chronically homeless persons in the second column.

		All	Chronic
a.	Less than 1 month		
b.	1 to 2 months		
c.	3 - 6 months		
d.	7 months - 12 months		
e.	13 months - 24 months		
f.	25 months - 3 years		
g.	4 years - 5 years		
h.	6 years - 7 years		
i.	8 years - 10 years		
j.	Over 10 years		

13. **Reasons for Leaving.** Of those participants who **left** the project during the operating year (from 2c, columns 1 and 2), how many left for the following reasons? If a participant left for multiple reasons, **include only the primary reason**. Also, please place the **primary reason for chronically homeless persons** in the second column.

		All	Chronic
a.	Left for a housing opportunity before completing program		
b.	Completed program		
c.	Non-payment of rent/occupancy charge		
d.	Non-compliance with project		
e.	Criminal activity / destruction of property / violence		
f.	Reached maximum time allowed in project		
g.	Needs could not be met by project		
h.	Disagreement with rules/persons		
i.	Death		
j.	Other (please specify)		
k.	Unknown/disappeared		

14. **Destination.** Of those participants who **left** during the operating year (from 2c, columns 1 and 2), how many left for the following destination? Also, please place the destination of **chronically homeless persons** in the second column.

		All	Chronic
PERMANENT (a-h)	a. Rental house or apartment (no subsidy)		
	b. Public Housing		
	c. Section 8		
	d. Shelter Plus Care		
	e. HOME subsidized house or apartment		
	f. Other subsidized house or apartment		
	g. Homeownership		
	h. Moved in with family or friends		
TRANSITIONAL (i-j)	i. Transitional housing for homeless persons		
	j. Moved in with family or friends		
INSTITUTION (k-m)	k. Psychiatric hospital		
	l. Inpatient alcohol or other drug treatment facility		
	m. Jail/prison		
EMERGENCY SHELTER (n)	n. Emergency shelter		
OTHER (o-q)	o. Other supportive housing		
	p. Places not meant for human habitation (e.g. street)		
	q. Other (please specify)		
UNKNOWN	r. Unknown		

15. **Supportive Services.** Of those participants who **left** during the operating year (from 2, columns 1 and 2), how many received the following supportive services during their time in the project? Also, please place the supportive services received for **chronically homeless** participants who left during the operating year in the second column.

		All	Chronic
a.	Outreach		
b.	Case management		
c.	Life skills (outside of case management)		
d.	Alcohol or drug abuse services		
e.	Mental health services		
f.	HIV/AIDS-related services		
g.	Other health care services		
h.	Education		
i.	Housing placement		
j.	Employment assistance		
k.	Child care		
l.	Transportation		
m.	Legal		
n.	Other (please specify)		

- 16. Overall Program Goals** Under objectives, list your measurable objectives for this operating year (from your application, Technical Submission, or APR) for each of the three goals listed below. Under Progress, describe your progress in meeting the objectives. Under Next Operating Year's Objectives, specify the measurable objectives for the next operating year.

a. Residential Stability

Objectives:

Progress:

Next Operating Year's Objectives:

b. Increased Skills or Income

Objectives:

Progress:

Next Operating Year's Objectives:

c. Greater Self-determination

Objectives:

Progress:

Next Operating Year's Objectives:

17. Beds. SHP recipients answer 17a. S+C recipients answer 17b. SRO recipients answer 17c. *(SHP-SSO projects do not complete this question)*

- a. SHP.** How many beds were included in the application approved for *this* project under "Current Level" and under "New Effort"? How many of these "New Effort" beds were actually in place at the end of the operating year?

	Current Level	New Effort	New Effort in Place
Number of Beds:	_____	_____	_____

- b. S+C.** How many beds and dwelling units were being assisted with project funds at the end of the operating year? (Include beds for all participants, other family members, and care givers.)

Number of Beds: _____

Number of Dwelling Units: _____

- c. SRO.** How many dwelling units were being assisted at the end of the operating year? (The use units occupied by "in place" non-homeless persons who qualify for assistance.)

Number of Dwelling Units: _____

Part II: Financial Information

18. Supportive Services.

For Supportive Housing (SHP), this exhibit provides information to HUD on how SHP funding for supportive services was spent **during the operating year**. Enter the amount of SHP funding spent on these supportive services. Include HMIS costs under "Other."

For Shelter Plus Care (S+C), this exhibit tracks the supportive services match requirement. Specify the value of supportive services from all sources that can be counted as match that all homeless persons received **during the operating year**. (S+C grantees should keep documentation on file, including source, amount, and type of supportive services.)

For Section 8 SRQ, this exhibit provides information to HUD on the value of supportive services received by homeless persons **during the operating year**.

	Supportive Services	Dollars
a.	Outreach	
b.	Case management	
c.	Life skills (outside of case management)	
d.	Alcohol and drug abuse services	
e.	Mental health services	
f.	AIDS-related services	
g.	Other health care services	
h.	Education	
i.	Housing placement	
j.	Employment assistance	
k.	Child care	
l.	Transportation	
m.	Legal	
n.	Other (please specify)	
a.	TOTAL (Sum of a through n)	
	Cumulative amount of match provided to date for the Shelter Plus Care Program under this grant	

19. Supportive Housing Program: Leasing, Supportive Services, Operating Costs, HMIS Activities and Administration

All grantees receiving funding under the Supportive Housing Program must complete these charts each operating year. For **expansion projects**: If SHP grant funds are for the expansion of a pre-existing homeless facility, only the people and expenditures for the additional expansion may be included, as in the original application or any grant amendments. Documentation of resources used is not required to be submitted with this report but should be kept on file for possible inspection by HUD and Auditors. Do not include any expenditures made before the SHP grant was executed.

Summary of Expenditures. Enter the amount of SHP grant funds and cash match expended during the operating year for each activity. This table should add up both horizontally and vertically. The SHP supportive services total should be the same as the SHP supportive services in Question 18.

		SHP Funds	Cash Match	Total Expenditures
a.	Leasing			
b.	Supportive Services			
c.	Operating Costs			
e.	HMIS Activities			
f.	Total			

Note: Payments of principal and interest on any loan or mortgage may not be shown as an operating expense.

Sources of Cash Match. Enter the sources of cash identified in the Cash Match column, above, in the following categories. Use additional sheets, as necessary.

		Amount
a.	Grantee/project sponsor cash	
b.	Local government (please specify)	
c.	State government (please specify)	
d.	Federal government (please specify)	
	Community Development Block Grant (CDBG)	
e.	Foundations (please specify)	
f.	Private cash resources (please specify)	
g.	Occupancy charge fees	
h.	Total	

20. Supportive Housing Program: Acquisition, Rehabilitation, and New Construction

All grantees that received SHP funds for acquisition, rehabilitation, or new construction must complete these charts in the year one APR only. This exhibit will demonstrate to HUD that the grantee has contributed enough cash to at least equally match the amount of SHP funds spent for acquisition, rehabilitation, or new construction. Documentation that matching funds were provided is not required to be submitted with this report but should be kept on file for possible inspection by HUD and Auditors.

Summary of Expenditures. Enter the amount of SHP grant funds and cash match expended during the operating year for each activity.

		SHP Funds	Cash Match	Total Expenditures
a.	Acquisition			
b.	Rehabilitation			
c.	New construction			
d.	Total			

Cash Match. Enter the sources of cash identified in the Cash Match column, above, in the following categories. Use additional sheets, as necessary.

		Amount
a.	Grantee/project sponsor cash	
b.	Local government (please specify)	
c.	State government (please specify)	
d.	Federal government (please specify)	
	Community Development Block Grant (CDBG)	
e.	Foundations (please specify)	
f.	Private cash resources (please specify)	
g.	Occupancy charges/fees	
h.	Total	

FOR HMIS ACTIVITIES ONLY

21. For Supportive Housing (SHP) – HMIS Activities

This exhibit provides information to HUD on how SHP-HMIS funding for supportive services was spent **during the operating year**. Enter the amount of SHP-HMIS funding spent on these activities.

HMIS Activities Only	Dollars
Equipment	
Central Server(s)	
Personal Computers and Printers	
Networking	
Security	
Subtotal	
Software	
Software / User Licensing	
Software Installation	
Support and Maintenance	
Supporting Software Tools	
Subtotal	
Services	
Training by Third Parties	
Hosting / Technical Services	
Programming: Customization	
Programming: System Interface	
Programming: Data Conversion	
Security Assessment and Setup	
On line Connectivity (Internet Access)	
Facilitation	
Disaster and Recovery	
Subtotal	
Personnel	
Project Management / Coordination	
Data Analysis	
Programming	
Technical Assistance and Training	
Administrative Support Staff	
Subtotal	
HMIS Space and Operations	
Space Costs	
Operational Costs	
Total	

Describe any problems and/or changes implemented during the operating year.

Technical Assistance and Recommendations

Based on your experience during the last year, are there any areas in which you need technical advice or assistance? If so, please describe.

Annual Certification of Continued Project Operation

Supportive Housing Program

Project Number: _____

Project Name: _____

Operating Start Date: _____

Grantees that received Supportive Housing Program funding for new construction, acquisition, or rehabilitation are required to operate their facilities for 20 years.

I, _____, certify that the facility that received assistance for acquisition, rehabilitation, or new construction from the Supportive Housing Program has operated as a facility to assist homeless persons from _____ to _____. * I also certify that the grant is still serving _____ number of
(mo/yr) (mo/yr)

persons at

(site address)

and all the requirements of the grant agreement are being satisfied.

(Signature)

(Title)

(Date of Certification)

*Current Year

Persons Served Worksheet (continued)

Do not submit this work to the Fed.

[illegible]

Persons Served Worksheet (continued)

Do not submit this worksheet to HLD

156 HOD SHEET FOR WORKSHEET NO.				
No.	Remarks (e.g. Program or file)	Description (cont.)	SUPPORTIVE SERVICES (cont.)	Notes
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43				
44				
45				
46				
47				
48				
49				
50				
51				
52				
53				
54				
55				
56				
57				
58				
59				
60				
61				
62				
63				
64				
65				
66				
67				
68				
69				
70				
71				
72				
73				
74				
75				
76				
77				
78				
79				
80				
81				
82				
83				
84				
85				
86				
87				
88				
89				
90				
91				
92				
93				
94				
95				
96				
97				
98				
99				
100				

Instructions and Codes for Persons Served Worksheet

The use of this worksheet is optional. It was designed to help you collect information on participants needed to complete the Annual Progress Report. If the worksheet is updated as participants move in and move out of your project, most of the information required for completion will be contained in the worksheet. Do not submit this worksheet with the APR.

For projects that serve families, HUD only requires reporting on the number of children served, and the age and gender of these children. Only name, relationship, date of birth, and age on the worksheet need to be completed for children. Assign the adults a number, but not each family member. Use this number to transfer to the other pages of the worksheet.

Beginning with number 4, the numbers in the columns refer to the questions on the APR form. If any questions are answered with "Other," please enter the specific "Other" answer for inclusion in the APR.

Participant Number. This column allows you to either number participants consecutively or to assign a case number. One number should be assigned to each adult.

Name. Names of persons will not be reported to HUD. The use of names is for your record keeping convenience.

Relationship. Enter the appropriate relationship. Examples include: Self, Head of household, Spouse, Child.

Entry Date. Enter date participant entered the project. Usually this will be the date of actual physical move-in for a housing project.

Exit Date. Enter date participant left the project. Usually this will be the date the participant physically moved out for a housing project. Do not include a participant who temporarily left the project and is expected to return in less than 90 days (e.g., hospitalization).

4. **Income-eligible Non-homeless in SRO.** The SRO program allows assistance to units occupied by Section 8 income-eligible persons residing at the SRO prior to rehabilitation. For SRO projects only, indicate whether the participant is an income-eligible, non-homeless person (Y) or not (N). SHP and S-C projects should skip this item.

5a. **Date of Birth.** Enter date of birth including month, day, and year.

5b. **Age.** Enter age at entry.

5c. **Gender.** Enter appropriate letter for gender: M-Male, F-Female.

6a. **Veterans Status.** Indicate if the participant is a veteran. *Please note:* A veteran is anyone who

has ever been on active military duty status for the United States.

6b. **Chronically homeless person.** Indicate the number of participants that are chronically homeless.

7. **Ethnicity.** Enter appropriate letter for ethnic group.

a. Hispanic or Latino

b. Non-Hispanic or Non-Latino

8. **Race.** Enter appropriate letter for race.

a. American Indian or Alaskan Native

b. Asian

c. Black or African-American

d. Native Hawaiian or Other Pacific Islander

e. White

f. American Indian/Alaskan Native & White

g. Asian & White

h. Black/African American & White

i. American Indian/Alaskan Native &

Black/African American

j. Other Multi-Racial

9a. **Special Needs.** Enter the letter(s) for the category(ies) that describe the participant's disability(ies). (You may double count).

a. Mental illness

b. Alcohol abuse

c. Drug abuse

d. HIV/AIDS and related diseases

e. Developmental disability

f. Physical disabilities

g. Domestic violence

h. Other (please specify)

9b. Enter the number of participants with a disability.

10. **Prior Living Situation.** Enter the letter that best describes where the participant slept in the week prior to entering the project. Do not double count.

a. Non-housing (street, park, car, bus station, etc.)

b. Emergency shelter

c. Transitional housing for homeless persons

d. Psychiatric facility*

e. Substance abuse treatment facility*

f. Hospital*

g. Jail/prison*

h. Domestic violence situation

i. Living with relatives/friends

j. Rental housing

k. Other (please specify)

*If a participant came from an institution but was there less than 30 days and was living on the street or in an emergency shelter before entering the facility, he/she should be counted in either the street or shelter category, as appropriate.

Instruction Codes for Persons Served Worksheet (continued)

11a. **Gross Monthly Income at Project Entry.**

Enter the amount of gross monthly income the participant is receiving at entry into the project.

11b. Gross Monthly Income at Project Exit. Enter the gross monthly income the participant is receiving when exiting the project.

11c. Income Sources Received at Project Entry. Enter all types of assistance the participant is receiving at entry to the project.

- a. Supplemental Security Income (SSI)
- b. Social Security Disability Insurance (SSDI)
- c. Social Security
- d. General Public Assistance
- e. Temporary Aid Needy Families (TANF)
- f. State Children's Health Insurance Program (SCHIP)
- g. Veterans benefits
- h. Employment income
- i. Unemployment benefits
- j. Veterans Health Care
- k. Medicaid
- l. Food Stamps
- m. Other (please specify)
- n. No Financial Resources

11d. Income Sources Received at Project Exit. Enter all types of income the participant is receiving at project exit. (Use codes as in 11c.)

12a. Length in Stay in Program. Calculated item. (See Entry Date and Exit Date above.)

12b. Length of Stay in Program. (Participant did not leave during the operating year. How long have they been in the project?)

13. Reason for Leaving Project. Enter the primary reason why the participant left the project. (Complete only for participants who left the project and are not expected to return within 90 days.)

- a. Left for a housing opportunity before completing the program
- b. Completed program
- c. Non-payment of rent/occupancy charge
- d. Non-compliance with project
- e. Criminal activity/destruction of property/violence
- f. Reached maximum time allowed in project
- g. Needs could not be met by project
- h. Disagreement with rules/persons
- i. Death
- j. Other (please specify)
- k. Unknown/disappeared

14. Destination. Enter the destination of those leaving the project

Permanent:

- a. Rental house or apartment (no subsidy)
- b. Public Housing
- c. Section 8
- d. Shelter Plus Care
- e. HOME subsidized house or apartment
- f. Other subsidized house or apartment
- g. Homeownership
- h. Moved in with family or friends

Transitional:

- i. Transitional housing for homeless persons
- j. Moved in with family or friends

Institution:

- k. Psychiatric hospital
- l. Inpatient alcohol or drug treatment facility
- m. Jail/prison

Emergency:

- a. Emergency shelter

Other:

- a. Other supportive housing.
- p. Places not meant for human habitation (e.g., street)
- q. Other (please specify)

Unknown:

- r. Unknown

15. Supportive Services. Enter all types of supportive services the participant received during the time in the project.

- a. Outreach
- b. Case management
- c. Life skills (outside of case management)
- d. Alcohol or drug abuse services
- e. Mental health services
- f. HIV/AIDS-related services
- g. Other health care services
- h. Education
- i. Housing placement
- j. Employment assistance
- k. Child care
- l. Transportation
- m. Legal
- n. Other (please specify)

EXHIBIT J

LAHSA's CONTRACTOR ACCOUNTING & ADMINISTRATION HANDBOOK

EXHIBIT J

LOS ANGELES HOMELESS SERVICES AUTHORITY

CONTRACTORS' ACCOUNTING HANDBOOK

TABLE OF CONTENTS

Introduction	4
--------------------	---

A. ACCOUNTING AND FINANCIAL REPORTING

1.0 Basis of Accounting	4
1.1 Cash Basis	5
1.2 Accrual Basis	5
1.3 Accruals	5
1.4 Prepaid Expenses	5
2.0 Disbursements	5
2.1 Double Entry System	5
2.2 General Journal	6
2.3 Cash Receipts Journal	6
2.4 Cash Disbursements Journal	6
2.5 Payroll Ledger	7
2.6 General Ledger	7
2.7 Chart of Accounts	7
3.0 Records	7
3.1 Retention	8
3.2 Supporting Documentation	8
3.3 Filing	9
3.4 Referencing	9
4.0 Donations and other Sources of Revenue	10
5.0 Single Audit Requirements	10

B. INTERNAL CONTROLS

1.0 Cash Receipts	10
1.1 Separate Fund or Cost Center	10
1.2 Deposits	10
1.3 Separation of Duties	11
1.4 Bank Reconciliation	11
2.0 Disbursements	11
2.1 General	11
2.2 Approvals and Separation of Duties	12
2.3 Petty Cash	12
2.4 Credit Cards	12
3.0 Timekeeping	13
3.1 Timecards	13
3.2 Personnel and Payroll Records	13
3.3 Benefit Balances	14
3.4 Limitations on Positions and Salaries	14
3.5 Separation of Duties	14
4.0 Fixed Assets	14

4.1	Identification and Inventory	14
4.2	Security	15
4.3	Property Management.....	15

C. COST PRINCIPLES

1.0	Policy	15
1.1	Limitations on Expenditures of Program Funds	15
1.2	Expenses Incurred Outside the Agreement Period.....	16
1.3	Necessary, Proper & Reasonable.....	16
2.0	Allocable Costs	16
2.1	Direct Costs	16
2.2	Indirect Costs	17
2.3	Acceptable Indirect Cost Allocation Methods.....	17
3.0	Cost Allocation Plan.....	19
4.0	Payments to Affiliated Organizations or Persons.....	19
5.0	Unallowable Costs	20
6.0	Overpayments.....	20

D. MISCELLANEOUS REQUIREMENTS

1.0	Insurance	20
2.0	Political Activity	21

LOS ANGELES HOMELESS SERVICES AUTHORITY

CONTRACTORS' ACCOUNTING HANDBOOK

INTRODUCTION

The purpose of this Handbook is to establish required accounting, financial reporting, and internal control standards for agencies which contract with the Los Angeles Homeless Services Authority (LAHSA).

The accounting, financial reporting and internal control standards described in this Handbook are fundamental. These standards are not intended to be all-inclusive or replace acceptable existing procedures or preclude the use of more sophisticated methods. Instead, this Handbook represents the minimum required procedures and controls that must be incorporated into a **Contractor's** accounting and financial reporting systems. The internal control standards described are those that apply to organizations with adequate staffing. Organizations with a smaller staff must attempt to comply with the intent of the standards and implement internal control systems appropriate to the size of their staff/organization. The Contractor's subcontractors must also follow these standards unless otherwise stated in the Agreement.

In addition to the accounting, financial reporting, and internal control standards described in this Handbook, each LAHSA Contractor must comply with its respective Agreement, applicable state and federal guidelines and regulations, including OMB Circular A-122, "Cost Principles for Non-Profit Organizations".

A. ACCOUNTING AND FINANCIAL REPORTING

1.0 Basis of Accounting

Contractor may use either the cash or accrual basis of accounting for recording financial transactions. However, if Contractor uses the cash basis throughout the year, Contractor's records must be converted to the accrual basis at the end of the year. Contractor must submit LAHSA required reports (i.e., invoices) on the basis (cash and/or accrual) required by the Agreement. Data included on such reports must be supported by schedules or other documentation that is readily traceable to Contractor's accounting records.

1.1 Cash Basis

Under the cash basis, revenues are recorded in the accounting period in which they are received and expenditures are recorded when the cash is disbursed.

- If the cash basis is used throughout the year, all computations, supporting documentation (e.g., deposit slips, copies of checks, accounts receivable ledger, etc.), and explanatory notes used in converting from the cash basis to the accrual basis must be retained.

1.2 Accrual Basis

Under the accrual basis, revenues are recorded in the accounting period in which they are earned (rather than when cash is received). Expenditures are recorded in the accounting period in which they are incurred (rather than when cash is disbursed).

1.3 Accruals

Accruals shall be recorded observing the following:

- Only accruals where cash will be disbursed within six months of the accrual date should be recorded.
- Recorded accruals must be reversed in the subsequent accounting period.

1.4 Prepaid Expenses

Prepaid expenses (e.g., insurance, service agreements, lease agreements, etc.) should only be expensed during a given Agreement year to the extent goods and services are received during that Agreement year.

2.0 Disbursements

2.1 Double Entry System

Contractor shall maintain a double entry accounting system (utilizing debits and credits) with a General Journal, Cash Receipts Journal, Cash Disbursements Journal, General Ledger and Payroll Ledger.

2.5 Payroll Ledger

A Payroll Ledger should be maintained for recording all payroll transactions. The Payroll Ledger shall contain (minimum requirements) the following information:

- Name
- Position
- Social Security Number
- Salary or hourly wage
- Payment record including:
 - Accrual period
 - Gross pay
 - Itemized payroll deductions
 - Check number
 - Net pay amount

2.6 General Ledger

A General Ledger shall be maintained with accounts for all assets, liabilities, fund balances, expenditures, and revenues. Separate accounts or cost centers must be maintained to record expenses and revenues for each of the Contractor's programs and contracts.

2.7 Chart of Accounts

A Chart of Accounts shall be maintained.

Each account title must clearly identify the nature of the transaction(s) posted to the accounts.

Contractor must consistently post transactions that are of a similar nature to the same account. For example, all expenses related to travel shall be posted to the account titled "travel" or "travel expense" and not intermingled with other expenses.

3.0 Records

Adequate care shall be exercised to safeguard the accounting records and supporting documentation. Any destruction or theft of the Contractor's accounting records or supporting documentation shall be immediately reported to LAHSA.

3.1 Retention

All accounting records (e.g., journals, ledgers, etc.), financial records and supporting documentation (e.g., invoices, receipts, checks, etc.) must be retained for a minimum of five years after the termination of the Contractor's Agreement.

3.2 Supporting Documentation

All revenues and expenditures shall be supported by original vouchers, invoices, receipts, or other documentation and shall be maintained in the manner described herein.

Invoices, receipts and canceled checks will be required to support an outlay of program funds. Unsupported disbursements will be disallowed on audit. Contractor will be required to repay LAHSA for all disallowed costs. Photocopied invoices or receipts, any internally generated documents (i.e., vouchers, request for check forms, requisitions, etc.), and account statements do not constitute adequate supporting documentation for purchases.

Supporting documentation is required for various types of expenditures as follows:

Payroll - Time and attendance records signed by the employee and approved in writing by the supervisor, time distribution records by program (accounting for total work time on a daily basis) for all employees, records showing actual expenditures for Social Security and unemployment insurance, State and Federal quarterly tax returns, Federal/State W-2 forms, and Federal/State W-4 forms.

Consultants/Contract Services – Executed contracts specifying agreed-upon costs and services to be provided including fees and/or hourly rates, contractor invoices/billings detailing the dates and hours worked and specific services provided.

Travel - Travel policies of the Contractor (written); travel expense vouchers showing location, date and time of travel, purpose of trip, and rates claimed; vehicle mileage logs showing dates, destination and headquarters, purpose of trip, and mileage. Travel related to conferences should include conference literature detailing purpose of the conference.

Receipts shall be required for lodging and meals for approved out-of-town travel dates.

Maximum rates for reimbursement are set by the Los Angeles County Auditor-Controller. As of 1999, the maximum reimbursable lodging amount is \$114.00 plus applicable taxes for a single occupancy hotel; and reimbursement for actual receipts or per diem rates for meal expenses shall not exceed \$49.75 per day when three meals are purchased on any one-day.

Operating Expenses (e.g., utilities, office supplies, equipment rentals, etc.) - bona fide contracts or lease agreements, if any, and invoices detailing the cost and items purchased will constitute the primary supporting documentation. For internal control purposes, the Contractor may maintain vouchers, purchase orders, requisitions, stock received reports, bills of lading, etc.

Outside Meals - receipts and/or invoices for all meals, a record of the nature and purpose of each meal, and identification of the participants.

3.3 Filing

All relevant supporting documentation for reported program expenditures and revenues should be filed in a systematic and consistent manner. It is recommended that supporting documents be filed as follows:

- checks - numerically
- invoices - vendor name and date
- vouchers - numerically
- receipts - numerically
- timecards - pay period and alphabetically

3.4 Referencing

Accounting transactions posted to the Contractor's books shall be appropriately cross-referenced to supporting documentation. It is recommended that expenditure transactions on the Contractor's books be cross-referenced to the supporting documentation as follows:

- invoices - vendor name and date
- checks - number
- vouchers - number
- revenue - receipt number

Supporting documentation for non-payroll expenditures (i.e., operating expenditures) should be cross-referenced to the corresponding check issued for payment. If multiple invoices are paid with one check, all related invoices should be bound together and cross-referenced to the check issued for payment.

4.0 Restricted Donations and other Sources of Revenue

Restricted donations and other sources of revenue earmarked specifically for the program must be utilized on allowable program expenditures.

5.0 Single Audit Requirements

OMB Circular A- 133, "Audits of Institutions of Higher Learning and Other Non-Profit Organizations" require that certain organizations receiving federal awards, including pass-through awards, have annual audits. Details are contained in the Circular.

A copy of any Single Audit reports must be submitted to LAHSA within the timeframes prescribed by the applicable Circular.

B. INTERNAL CONTROLS

Internal controls safeguard the Contractor's assets from misappropriation, misstatement and misuse. Each Contractor shall prepare necessary written procedures establishing internal controls for its personnel. The Contractor shall instruct all of its personnel in these procedures and continuously monitor operations to ensure compliance with them.

1.0 Cash Receipts

1.1 Separate Fund or Cost Center

All Program revenues shall be maintained in a bank account. If revenues from other programs are maintained in the same bank account, revenues for each program must be clearly identifiable on the accounting records through the use of cost centers or separate accounts.

1.2 Deposits

All checks shall be restrictively endorsed upon receipt. Cash received shall be recorded on pre-numbered receipts. Checks shall be recorded on a check remittance log at the time of receipt.

Cash receipts (i.e., cash and checks) totaling \$500 or more shall be deposited within one day of receipt. Collections of less than \$500 may be held and deposited weekly or when the total reaches \$500, whichever occurs first.

Duplicate deposit slips shall be retained and filed chronologically, and shall contain sufficient reference information for comparison to the Cash Receipts Journal (and individual receipts, if-applicable).

1.3 Separation of Duties

An employee who does not handle cash shall record all cash receipts.

1.4 Bank Reconciliation

Bank statements should be received and reconciled by someone with no cash handling or check writing duties.

A monthly bank reconciliation should be prepared within 30 days of the bank statement date and reviewed by management for appropriateness and accuracy. The bank reconciliation should be signed by both the preparer and the reviewer. Reconciling items should be resolved timely.

2.0 Disbursements

2.1 General

All disbursements for expenditures, other than petty cash, shall be made by check.

Blank check stock shall be secured and accounted for to preclude unauthorized use.

Checks shall not be payable to "cash" or signed in advance. Checks written to employees for reimbursement of out-of-pocket costs must be supported by receipts and invoices.

If the bookkeeper signs checks, a second signature shall be required on the checks.

Voided checks shall be marked void with the signature block cut out. The voided checks must be filed with the canceled checks.

Unclaimed or undelivered checks shall be canceled periodically, i.e., within six months of check date.

All supporting documentation shall be referenced to check numbers and marked "paid" or otherwise canceled to prevent reuse or duplicate payments.

Disbursements without adequate supporting documentation will be disallowed on audit.

2.2 Approvals and Separation of Duties

Employees responsible for approving cash disbursements and/or signing of checks shall examine all supporting documentation at the time the checks are approved and signed.

All disbursements, excluding petty cash purchases, shall be approved by persons independent of check preparation and bookkeeping activities.

2.3 Petty Cash

A petty cash fund up to \$500 may be maintained for payment of small incidental expenses incurred by the Contractor (e.g., postage due, small purchases of office supply items, etc.). The Contractor must obtain written approval from LAHSA to establish a petty cash fund greater than \$500.

Petty cash disbursements must be supported by invoices, store receipts or other external authenticating documents indicating the item purchased and the employee making the purchase. In the event that outside (external) supporting documentation is not obtainable for minor disbursements (under \$10), such as parking meters, etc., then documentation shall be considered as proper supporting documentation on a basis of reasonableness. Petty cash disbursements should not be used as a substitute for normal purchasing and disbursement practices (i.e., payment by check).

The petty cash fund shall be maintained on an imprest basis. A check should be drawn to set up the fund and to make periodic reimbursements. Receipts, vouchers, etc., supporting each fund

replenishment must be bound together, filed chronologically and cross referenced to the reimbursement check.

2.4 Credit Cards

The use of credit cards, both Contractor issued credit cards and an employee's personal credit card used on behalf of the Contractor, should be limited to purchases where normal purchasing and disbursement practices are not suitable.

Credit cards issued in the Contractor's name must be adequately protected and usage monitored to ensure that only authorized and necessary items are purchased.

Credit card purchases should be pre-approved by Contractor management to ensure that they are necessary and cannot be made by normal purchasing methods.

All credit card disbursements must be supported by original invoices, store receipts or other external authenticating documents indicating the item purchased and the employee making the purchase. Credit card statements are not sufficient support for credit card purchases.

3.0 Timekeeping

3.1 Timecards

Timecards or time reports must be prepared in ink for each pay period. Timecards or time reports must indicate total hours worked each day by program and total hours charged to each of the Contractor's programs. Time estimates do not qualify as support for payroll expenditures and will be disallowed on audit.

All timecards and time reports must be signed in ink by the employee and the employee's supervisor to certify the accuracy of the reported time.

3.2 Personnel and Payroll Records

Adequate security must be maintained over personnel and payroll records with access restricted to authorized individuals.

Personnel and payroll records should include (but not be limited to) the following:

- Employee's authorized salary rate
- Employee information sheet
- Resume and/or application
- Proof of qualifications for the position, if required (e.g., notarized copy or original diploma, license, etc.)
- Performance evaluations
- Criminal record clearance
- Citizenship status
- Benefit balances (e.g., sick time, vacation, etc.)

3.3 Benefit Balances

Employee benefit balances (e.g., sick time, vacation, personal time, etc.) should be maintained on at least a monthly basis. Benefit balances should be increased when benefit hours are earned and decreased as hours are used.

3.4 Limitations on Positions and Salaries

If an employee serves in the same or dual capacities under more than one Agreement or program, the employee may not charge more than 100% of their time to the contracts or programs taken as a whole. Salaried employees who work less than 40 hours per week shall be paid a salary that corresponds with the employee's work schedule.

The salary expense of salaried employees working on more than one Agreement or program shall be allocated to each program based on the ratio of the number of hours worked on each program during the pay period to the total number hours worked during the pay period.

3.5 Separation of Duties

Payroll checks should be distributed by persons not involved in timekeeping, preparing of payroll, or reconciling bank accounts. All employee hires and terminations, or pay rate changes, shall be approved by authorized persons independent of payroll functions.

4.0 Fixed Assets

A fixed asset is defined as an article of nonexpendable tangible personal property having a useful life of more than two year (s) and an acquisition cost of \$500 or more per unit. Contractor may determine a higher threshold amount for designation of a fixed asset, but this must be approved by LAHSA and documented in their accounting policies.

Acquisition cost means the net invoice unit price of an item, including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it was acquired.

4.1 Identification & Inventory

All fixed assets purchased with Program funds are to be used solely for the benefit of the Program and should be appropriately tagged.

Contractor shall maintain a current listing of fixed assets, including the item description, serial number, date of purchase, acquisition cost and sources of funding.

An inventory of all fixed assets should be conducted at least once each year to ensure that all fixed assets are accounted for and maintained in proper working order.

4.2 Security

Physical security should be adequately maintained over fixed assets to prevent misuse and defalcation of Program property.

4.3 Property Management

Contractor shall assume responsibility and accountability for the maintenance of all non-expendable property purchased, leased, or rented with Program funds.

Contractor shall report promptly, in writing, to LAHSA all cases of burglary, loss, damage, or destruction of fixed assets. The report shall contain at a minimum, item identification, recorded value, facts relating to loss, and a copy of the law enforcement report.

Contractor shall dispose of fixed assets, if necessary, in accordance with non-profit law.

C. COST PRINCIPLES

1.0 Policy

It is the intent of LAHSA to provide Program funds for the purpose of Contractor providing services required by their respective Agreement

Contractor shall use these funds for actual expenses in an economical and efficient manner insofar as they are reasonable, proper and necessary costs of providing services and are allowable in accordance with the applicable OMB Circular.

1.1 Limitations on Expenditures of Program Funds

Contractor shall comply with the approved budget in their respective Agreement and the applicable OMB Circular. The Circular defines direct and indirect costs, discusses allowable cost allocation procedures and the development of Indirect Cost Rates, and specifically addresses the allowability of a variety of different costs.

If a Contractor is unsure of the allowability of any particular type of cost or individual cost, the Contractor should request advance written approval from LAHSA prior to incurring the cost.

1.2 Expenses Incurred Outside the Agreement Period

Expenses charged against program funds may not be incurred prior to the effective date of the Agreement or subsequent to the Agreement termination date.

1.3 Necessary, Proper & Reasonable

Only those expenditures that are necessary, proper and reasonable to carry out the activities of the Program are allowable.

2.0 Allocable Costs

For Contractors that operate multiple programs, the Contractor shall allocate expenditures that benefit various programs or funding sources on an equitable basis.

In accordance with the applicable OMB Circular, agencies shall define their allocable costs as either direct or indirect costs (as defined below) and allocate each cost using the basis most appropriate and feasible. Contractor shall maintain documentation related to the allocation of expenses (e.g., timecards, time summaries, square footage measurements, number of employees, etc.).

Under no circumstances shall allocated costs be charged to an extent greater than 100% of actual costs or the same cost be charged both directly and indirectly.

2.1 Direct Costs

Direct costs are those costs that can be identified specifically with a particular final cost objective (i.e., a particular program, service, or other direct activity of an organization). Examples of direct costs include salaries and benefits of employees working on the program, supplies and other items purchased specifically for the program, costs related to space used by employees working on the program, etc.

For all employees other than general administrative, the hours spent on each program (activity) should be recorded on employees' timecards and the payroll expense should be treated as direct charges and distributed on the basis of recorded hours spent on each program.

Joint costs (i.e., cost that benefit more than one program or activity) which can be distributed in reasonable proportion to the benefits received may also be direct costs.

Examples of bases for allocating joint costs as direct costs:

- Number of direct hours spent on each program
- Number of employees in each program
- Square footage occupied by each program
- Relative revenue volume
- Relative expenditure volume
- Other equitable methods of allocation

2.2 Indirect Costs

Indirect costs are those costs that have been incurred for common or joint objectives and cannot be readily identified with a particular final cost objective. Examples of indirect costs include salaries, employee benefits, supplies, and other costs related to general administration of the organization, use allowances, and the salaries and expenses of executive officers, personnel administration, and accounting.

Examples of bases for allocating indirect costs:

- Total direct salaries and wages
- Total direct costs (excluding capital expenditures and other distorting items such as subcontractor payments)

2.3 Acceptable Indirect Cost Allocation Methods

OMB Circulars describe the following allowable methods for allocating indirect costs.

- Simplified allocation method
- Direct allocation method
- Multiple allocation base method
- Negotiated indirect cost rate

Simplified Allocation Method

This method can be used when an organization's major functions benefit from its indirect costs to approximately the same degree. Using this method, all allocable costs are considered indirect costs and an indirect cost rate is determined by dividing total allowable indirect costs by an equitable distribution base.

Example:

Agency-wide indirect costs	\$250,000
Less: Capital expenditures	<u>10,000</u>
Allocable indirect cost	240,000
Total agency-wide direct salaries	<u>1,000,000</u>
Indirect cost rate	24%
Program direct salaries	<u>100,000</u>
Program indirect costs	<u>\$24,000</u>

Direct Allocation Method

This method can also be used when an organization's major functions benefit from its indirect costs to approximately the same degree. Using this method, all costs except general administration and general expenses are treated as direct costs. Joint costs for rental, facilities maintenance, telephone, and other similar expenses are prorated individually to each direct activity on a basis appropriate for that type of cost.

The remaining costs, which consist exclusively of administration and general expenses, are then allocated using the simplified allocation method previously discussed.

Multiple Allocation Base Method

This method can be used when an organization's major functions benefit from its indirect costs in varying degrees. Using this method, indirect costs are grouped to permit allocation of each grouping on the basis of the benefits provided to the major functions. Each grouping is then allocated individually using the basis most appropriate for the grouping being allocated.

Negotiated Indirect Cost Rates

Agencies have the option of negotiating an indirect cost rate or rate for use on all their Federal programs. The Contractor must submit a cost allocation plan to the federal agency providing the most funds to the organization. The approved indirect cost rate is then applied to the total approved direct cost base.

3.0 Cost Allocation Plan

If the Contractor has a negotiated indirect cost rate approved by a federal agency, it shall submit a copy of the approval letter when requested by LAHSA.

If the Contractor does not have a negotiated indirect cost rate, Contractor shall submit to LAHSA an annual Agency-wide Cost Allocation Plan. This document shall be submitted by May 1st for the fiscal years beginning on July 1st or August 1st for the federal fiscal year (October 1 -- September 30). For first-time Contractors, the plan for the initial Agreement year must be submitted within ninety days of Agreement execution. The timeframes may be revised upon written notice by LAHSA. The Cost Allocation Plan shall be prepared in accordance with LAHSA instructions and the applicable OMB Circular and include the following information:

1. Contractor general accounting policies:
 - Basis of accounting (cash or accrual)
 - Fiscal year
 - Method for allocating indirect costs (simplified, direct, multiple, negotiated rate)
 - Indirect cost rate allocation base
2. Identify the Contractor's direct and indirect costs (by category) and describe the cost allocation methodology for each category.
3. Signature of Contractor management certifying the accuracy of the Plan

4. If Contractor has a Federally approved indirect cost rate, Contractor shall submit a copy of the approval letter to LAHSA upon request in lieu of the requirements of this Section.

4.0 Payments to Affiliated Organizations or Persons

Contractors shall not make payments to affiliated organizations or persons for program expenses (e.g., salaries, services, etc.) that exceed the lower of actual cost or the reasonable cost for such expenses. A reasonable cost shall be the price that would be paid by one party to another when the parties are dealing at arm's length (fair market price). In addition, rental costs under less-than-arms-length leases are allowable only up to the amount that would be allowed had title to the property vested in the organization, notwithstanding "fair market value".

Organizations or persons (related parties) related to the Contractor or its members by blood, marriage, or through legal organization (incorporation, partnership, association, etc.) will be considered affiliated for purposes of this Agreement. LAHSA shall be solely responsible for the determination of affiliation unless otherwise allowed and approved by other State or federal agencies.

Payment to affiliated organizations or persons will be disallowed on audit to the extent the payments exceed the lower of actual costs or the reasonable costs for such items.

5.0 Unallowable Costs

OMB Circulars address the allowability of a variety of different costs. For all costs, there are certain restrictions and limitations; however, the following costs are not allowable under any circumstances:

- Bad debts
- Contingency provisions
- Contributions and donations
- Fines and Penalties
- Fundraising activities
- Interest expense
- Losses on other awards

6.0 Overpayments

If upon audit, or at any time during the Agreement year, it is determined that invoices submitted and used as a basis for payments to the Contractor were inaccurate, LAHSA shall determine the total overpayment

and require the Contractor to repay LAHSA. LAHSA may withhold payments from Contractor's future payments for any amounts not returned to the LAHSA unless otherwise prohibited by State or federal regulations.

D. MISCELLANEOUS REQUIREMENTS

1.0 Insurance

Contractor is responsible for securing and maintaining insurance coverage as required by the Agreement. Contractor must notify LAHSA Contracts Manager when insurance is revoked, reduced to a level of coverage less than required, or otherwise made ineffective.

Insurance shall include an endorsement naming LAHSA as an additional insured.

2.0 Political Activity

No funds, materials, property, or services paid to the Contractor under this Agreement shall be used in the performance of any political activity, the election of any candidate, or the defeat of any candidate for public office.

- 1 -

PRA with rehabilitation projects, and a change in the type of persons with disabilities to be served. Depending on the nature of the change, HUD may require a new certification of consistency with the CEAS (see § 582.102).

The Approval/Approval for such changes is contingent upon the application ranking remaining high enough to have been competitively selected for funding in the year the application was selected.

(a) *Obligation of funds.* When HUD and the applicant execute a grant agreement, HUD will obligate funds to cover the amount of the approved grant. The recipient will be expected to carry out the activities as proposed in the application. After the initial obligation of funds, HUD is under no obligation to make any upward revisions to the grant amount for any approved project.

(b) *Deobligation.* If HUD may deobligate all or a portion of the approved grant amount if such amount is not expended in a timely manner or the proposed housing for which funding was approved or the supportive services proposed in the application are not provided in accordance with the approved application, the requirements of this part and other applicable HUD regulations. The grant agreement may set forth the circumstances under which funds may be deobligated and other sanctions may be imposed.

NO FUND may reawaken, in a notice of fund availability, the availability of funds that have been deobligated. We may reconsider applications that were submitted in response to the most recently published notice of fund availability and select opportunities for funding with the deobligated funds. Such selections will be made in accordance with the selection process described in § 82.202 of this part. Any selections made using deobligated funds are subject to applicable programmatic requirements, as well as the full and final funding availability.

1. 1990年1月1日起，凡在境内销售应税消费品，除另有规定外，一律在零售环节征收消费税。

USING

Part 8—Assistance Provided

500.
501.1 Purpose and scope
501.5 Definitions.

Subpart E—Assistance Provided

- | | |
|---------|---|
| 562.101 | Typical uses of assistance. |
| 562.105 | Grants for negotiation and rehabilitation. |
| 562.110 | Grants for new conservation. |
| 562.115 | Grants for leasing. |
| 562.120 | Grants for supportive services to users. |
| 562.125 | Grants for operating costs. |
| 562.130 | Commitment of grant amounts for leasing, supportive services and operating costs. |
| 563.10 | Administrative costs. |
| 563.20 | Technical assistance. |
| 563.30 | Matching requirements. |
| 564.00 | Limitations on use of assistance. |
| 565.00 | Unfunded grant. |

562-200	Application and grant awards
564-200	Neurochemical review
565-200	Research studies

Subpart D—Program Reassignments

- 5814000 General operation.
5814005 "Use of continuously repositioned
array protection of analog circuits."
5814010 Displacement, detection, and acqui-
sition.
5814015 Resident fault.
5814020 Site control.
5814030 Nucleosynthesis and energy effec-
tivity requirements.
5814040 Applicability of other Federal re-
quirements.

Subpart E—Administration

- 404 100 Grant agreement
404 100 Program changes
404 100 Operations and development of funds
Agreement 42 U.S.C. 11000-11000-1
By 404 100 11000-1, Mar. 10, 1990, unless
agreement is made.

5.83.1 Purpose and scope

2. General Law Supportive Housing Programs is authorized by Title IV of the Stewart B. McKinney Housing Assistance Act, the McKinney Act, and 42 U.S.C. 11151-11159. This Act is

§ 583.5

24 CFR Ch. V (4-1-03 Edition)

Housing program is designed to promote the development of supportive housing and supportive services, including innovative approaches to assist homeless persons in the transition from homelessness and to promote the provision of supportive housing to homeless persons to enable them to live as independently as possible.

(b) *Components.* Funds under this part may be used for:

(1) Transitional housing to facilitate the movement of homeless individuals and families to permanent housing;

(2) Permanent housing that provides long-term housing for homeless persons with disabilities;

(3) Housing that is, or is part of, a particularly innovative project for, or alternative methods of, meeting the immediate and long-term needs of homeless persons; or

(4) Supportive services for homeless persons not provided in conjunction with supportive housing.

(50 FR 13571, Mar. 15, 1993, as amended at 61 FR 5112, Sept. 30, 1996)

§ 583.5 Definitions.

As used in this part:

Apparent is defined in section 423(i) of the McKinney Act (42 U.S.C. 11382(i)). For purposes of this definition, "governmental entities" include those that have general governmental powers (such as a city or county) as well as those that have limited or special powers (such as public housing agencies).

Consolidated plan means the plan that a jurisdiction prepares and submits to HUD in accordance with 24 CFR part 91.

Date of initial occupancy means the date that the supportive housing is initially occupied by a homeless person for whom HUD provides assistance under this part. If the assistance is for an existing homeless family, the date of initial occupancy is the date that assistance first provided by the recipient of supportive housing with funding under this part.

Emergency shelter program means the type of supportive services are initially provided with funding under this part to homeless persons who do not reside in supportive housing. This definition applies only to projects funded

under this part that do not provide supportive housing.

Disability is defined in section 12221 of the McKinney Act (42 U.S.C. 11382(g)).

Homeless person means an individual or family that is described in section 101 of the McKinney Act (42 U.S.C. 11302).

Metropolitan city is defined in section 6324(4) of the Housing and Community Development Act of 1974 (42 U.S.C. 6302(a)(4)). In general, metropolitan cities are those cities that are eligible for an entitlement grant under 24 CFR part 570, subpart D.

New construction means the building of a structure where none existed or an addition to an existing structure that increases the floor area by more than 100 percent.

Operating costs is defined in section 423(j) of the McKinney Act (42 U.S.C. 11382(j)).

Outpatient health services is defined in section 12222 of the McKinney Act (42 U.S.C. 11382(h)).

Permanent housing for homeless persons with disabilities is defined in section 424(c) of the McKinney Act (42 U.S.C. 11384(c)).

Private nonprofit organization is defined in section 423(v)(1)(A), (B), and (D) of the McKinney Act (42 U.S.C. 11382(v)(1)(A), (B), and (D)). The organization must also have a functioning accounting system that is operated in accordance with generally accepted accounting principles, or designate an entity that will maintain a functioning accounting system for the organization in accordance with generally accepted accounting principles.

Project is defined in sections 424(b) and 424(d) of the McKinney Act (42 U.S.C. 11384(b) and 11384(d)).

Recipient is defined in section 423(d) of the McKinney Act (42 U.S.C. 11382(d)).

Renovation means the improvement or repair of an existing structure or an addition to an existing structure that does not increase the floor area by more than 100 percent. Renovation does not include major or routine repairs.

State is defined in section 12211 of the McKinney Act (42 U.S.C. 11302(1)).

Supportive housing is defined in section 109(a) of the McKinney Act (42 U.S.C. 11304(a)).

Supportive services is defined in section 125 of the McKinney Act (42 U.S.C. 11365).

Transitional housing is defined in section 424(b) of the McKinney Act (42 U.S.C. 11354(b)). See also §583.100(a).

Trile is defined in section 102 of the Housing and Community Development Act of 1974 (42 U.S.C. 5302).

Urban county is defined in section 102(a)(6) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302(a)(6)). In general, urban counties are those counties that are eligible for an entitlement grant under 24 CFR part 170 subpart D.

(61 FR 3177, Sept. 30, 1996)

Subpart B—Assistance Provided

§583.100 Types and uses of assistance.

(a) Grant purposes. Assistance in the form of grants is available for acquisition of structures, rehabilitation of structures, acquisition and rehabilitation of structures, new construction, housing, operating costs for supportive housing, and supportive services, as described in §583.105 through 583.125. Applicants may apply for more than one type of assistance.

(b) Uses of grant assistance. Grant assistance may be used to:

(1) Establish new supportive housing facilities or new facilities to provide supportive services;

(2) Expand existing facilities in order to increase the number of homeless persons served;

(3) Bring existing facilities up to a level that meets State and local health and safety standards;

(4) Provide additional supportive services for residents of supportive housing, or for homeless persons not residing in supportive housing;

(5) Purchase HUD-owned single family properties primarily for use as supportive housing under 24 CFR part 921. And

(6) Other uses that the Department determines when the recipient has received funding under this part for housing, supportive services, or both.

(c) Structures used for supportive housing, supportive services, or both, may be used for other purposes.

Supportive housing or supportive services may also be used for other purposes, except that assistance under this part will be available only in proportion to the use of the structure for supportive housing or supportive services.

(d) Technical assistance. HUD may offer technical assistance, as described in §583.140.

(68 FR 1871, Mar. 15, 1993, as corrected by 68 FR 28031, July 18, 1993)

§583.105 Grants for acquisition and rehabilitation.

(a) HUD will grant funds to recipients to:

(1) Pay a portion of the cost of the acquisition of real property selected by the recipients for use in the provision of supportive housing or supportive services, including the repayment of any outstanding debt on a loan made to purchase property that has not been used previously as supportive housing or for supportive services;

(2) Pay a portion of the cost of rehabilitation of structures, including cost-effective energy measures, selected by the recipients to provide supportive housing or supportive services; or

(3) Pay a portion of the cost of acquisition and rehabilitation of structures as described in paragraphs (a)(1) and (2) of this section.

(b) Amount. The maximum grant available for acquisition, rehabilitation, or acquisition and rehabilitation is the lower of:

(1) \$100,000; or

(2) The total cost of the acquisition, rehabilitation, or acquisition and rehabilitation minus the applicant's contribution toward the cost.

(c) Increased amounts. In areas determined to have high acquisition and rehabilitation costs, grants of more than \$200,000, but not more than \$100,000 may be available.

§583.110 Grants for new construction.

(a) HUD will grant to recipients to pay a portion of the cost of new construction, including cost-effective energy measures and the cost of land, selected by the recipients for use in the provision of supportive housing. If the grant funds are used for new construction, the applicant may, at its option, use other funds to acquire

with new construction are substantially less than the costs associated with rehabilitation or that there is a lack of available appropriate units that could be rehabilitated at a cost less than new construction. For purposes of this cost comparison, costs associated with rehabilitation or new construction may include the cost of real property acquisition.

(b) Amount. The maximum grant available for new construction is the lower of:

- (1) \$500,000; or
- (2) The total cost of the new construction, including the cost of land associated with that construction, minus the applicant's contribution toward the cost of same.

§583.115 Grants for leasing.

(a) General. HUD will provide grants to pay (as described in § 583.130 of this part) for the actual costs of leasing a structure or structures, or portions thereof, used to provide supportive housing or supportive services for up to five years.

(b)(1) Leasing structures. Where grants are used to pay rent for all or part of structures, the rent paid must be reasonable in relation to rents being charged in the area for comparable space. In addition, the rent paid may not exceed rents currently being charged by the same owner for comparable space.

(2) Leasing individual units. Where grants are used to pay rent for individual housing units, the rent paid must be reasonable in relation to rents being charged for comparable units, taking into account the location, size, type, quality, amenities, facilities, and management services. In addition, the rents may not exceed rents currently being charged by the same owner for comparable unassisted units, and the portion of rents paid with grant funds may not exceed HUD-determined fair market rents. Recipients must use grant funds in accordance with the requirements to pay the rent on behalf of any families in leased units or nonfamilies participating

in the program. See 24 CFR 583.116 for more information.

§583.120 Grants for supportive services costs.

(a) General. HUD will provide grants to pay (as described in §583.130 of this part) for the actual costs of supportive services for homeless persons for up to five years. All or part of the supportive services may be provided directly by the recipient or by arrangement with public or private service providers.

(b) Supportive services costs. Costs associated with providing supportive services include salaries paid to providers of supportive services and any other costs directly associated with providing such services. For a transitional housing project, supportive services costs also include the costs of services provided to former residents of transitional housing to assist their adjustment to independent living. Such services may be provided for up to six months after they leave the transitional housing facility.

See FR 1997, Mar. 15, 1993, as amended at 64 FR 68641, July 15, 1999.

§583.125 Grants for operating costs.

(a) General. HUD will provide grants to pay a portion (as described in §583.130) of the actual operating costs of supportive housing for up to five years.

(b) Operating costs. Operating costs are those associated with the day-to-day operation of the supportive housing facility. They also include the actual expenses that a recipient incurs for the decline in living assessments of the supportive services needed by residents and the availability of such services, relocation assistance under § 583.116, including day rents and services, and insurance.

(c) Recipient match requirement for operating costs. Assistance for operating costs will be available for up to 75 percent of the total cost in each year of the grant term. The recipient must pay the remaining 25 percent of the actual operating costs not funded by HUD. At the end of each operating year, the recipient must demonstrate that it has met the match requirement of the costs for that year.

See FR 1997, Mar. 15, 1993, as amended at 64 FR 68641, July 15, 1999.

§ 583.130 Commitment of grant amounts for leasing, supportive services, and operating costs.

Upon execution of a grant agreement covering assistance for leasing, supportive services, or operating costs HUD will allocate amounts for a period not to exceed five operating years. The total amount obligated will be equal to an amount necessary for the specified years of operation, less the recipient's share of operating costs.

(Approved by the Office of Management and Budget under OMBR control number 2501-0121, 2501-0028, July 13, 1994)

§ 583.135 Administrative costs.

(a) *General.* Up to five percent of any grant awarded under this part may be used for the purpose of payment costs of administering the assistance.

(b) *Administrative costs.* Administrative costs include the costs associated with accounting for the use of grant funds, preparing reports for submission to HUD, obtaining program audits, similar costs related to administering the grant after the award, and staff salaries associated with these administrative costs. They do not include the costs of carrying out eligible activities under §§ 583.105 through 583.125.

(26 FR 1961, Mar. 14, 1962, as amended at 41 FR 2175, Page 30, 1976)

§ 583.140 Technical assistance.

(a) *General.* HUD may set aside funds annually to provide technical assistance, either directly by HUD staff or indirectly through third parties, to various, for any supportive housing project. This technical assistance is for the purpose of promoting the development of supportive housing and supportive services as part of a continuum of care approach, including innovative approaches to assist homeless persons in the transition from homelessness, and preventing the provision of supportive housing to homeless persons to enable them to live as independently as possible.

(b) *Use of technical assistance.* HUD may use these funds to provide technical assistance to project staff, applicants, potential recipients, or other interested parties to assist them in developing supportive housing for homeless persons, for sub-

stantive housing projects. The assistance may include but is not limited to, written information such as reports, monographs, manuals, guides and brochures, use of person exchanges, and training and related costs.

(c) *Selection of providers.* From time to time, as HUD determines the need, HUD may advertise and competitively select providers to deliver technical assistance. HUD may enter into contracts, grants, or cooperative agreements, when necessary, to implement the technical assistance.

(39 FR 10591, July 19, 1974)

§ 583.145 Matching requirements.

(a) *General.* The recipient must match the funds provided by HUD for grants for acquisition, rehabilitation, and new construction with an equal amount of funds from other sources.

(b) *Cost sources.* The matching funds must be from resources provided to the project by one or more of the following: the recipient, the Federal government, State and local governments, and private resources.

(c) *Maintenance of effort.* State or local government funds used in the matching contribution are subject to the maintenance of effort requirements described in § 583.160(a).

§ 583.150 Limitations on use of assistance.

(a) *Maintenance of effort.* No assistance provided under this part or any State or local government funds used to supplement this assistance may be used to replace State or local funds previously used, or designated for use, to assist homeless persons.

(b) *Primarily religious organizations.* (1) *Provision of assistance.* HUD will provide assistance to a recipient that is a primarily religious organization if the organization agrees to provide housing and supportive services in a manner that is free from religious practices and in accordance with the following principles:

A. It will not discriminate against any applicant or applicant's child, based on the race or ethnicity or any other basis employment or give preference in employment to persons on the basis of religion.

(D) It will not discriminate against any person applying for housing or supportive services on the basis of religion, and will not limit such housing or services on the basis of preference to persons on the basis of religion.

(E) It will provide no religious instruction or counseling, conduct no religious worship or services, engage in no religious proselytizing, and exert no other religious influence in the provision of housing and supportive services.

(F) HUD will provide assistance to a recipient that is a primarily religious organization if the assistance will not be used by the organization to construct a structure, acquire a structure, or to rehabilitate a structure owned by the organization, except as described in paragraph (c)(2) of this section.

(2) *Rehabilitation of structure owned by a primarily religious organization.* Rehabilitation grants may be used to rehabilitate a structure owned by a primarily religious organization if the following conditions are met:

(i) The structure (or portion of the structure) that is to be rehabilitated with HUD assistance has been leased to a recipient that is an existing or newly established wholly secular organization (which may be established by the primarily religious organization under the provisions of paragraph (c)(3) of this section);

(ii) The HUD assistance is provided to the wholly secular organization and not the primarily religious organization to make the improvement; and

(iii) The leased structure will be used exclusively for secular purposes available to all persons regardless of religion.

(iv) The lease payments paid to the primarily religious organization do not exceed the fair market rent of the structure before the rehabilitation was done.

(v) The portion of the cost of any improvements that benefit any affected portion of the structure will be allocated to and paid for by the primarily religious organization;

(vi) The extent to which a recipient is allowed to lease that, if the recipient does not obtain the use of the housing premises for wholly secular purposes in the local labor market, the HUD assistance to the primarily religious organization will

pay an amount equal to the residual value of the improvements to the secular organization, and the secular organization will remit the amount to HUD.

(3) *Assistance to a wholly secular private nonprofit organization established by a primarily religious organization.* (i) A primarily religious organization may establish a wholly secular private nonprofit organization to serve as a recipient. The wholly secular organization may be eligible to receive other forms of assistance available under this part.

(ii) The wholly secular organization must agree to provide housing and supportive services in a manner that is free from religious influences and in accordance with the principles set forth in paragraph (c)(1)(A) of this section.

(D) The wholly secular organization may enter into a contract with the primarily religious organization to operate the supportive housing or to provide supportive services for the residents. In such a case, the primarily religious organization must agree in the contract to carry out its contractual responsibilities in a manner free from religious influences and in accordance with the principles set forth in paragraph (c)(1)(A) of this section.

(E) The rehabilitation grants are subject to the requirements of paragraph (c)(1) of this section.

(F) HUD will not require the primarily religious organization to establish the wholly secular organization before the submission of its application. In such a case, the primarily religious organization may apply on behalf of the wholly secular organization. The application will be reviewed on the basis of the primarily religious organization's financial responsibility and capacity, and its commitment to provide quality public resources to the wholly secular organization after formation. The requirement with regard to site control, described in § 583.315, may be satisfied by the primarily religious organization's agreement to control and a commitment to transfer control of the site to the wholly secular organization after formation. If such an agreement is entered for funding, the allocation of funds will be conditioned upon the establishment of a wholly secular

organization that meets the definition of private nonprofit organization in §583.3.

(c) *Participant control of site.* Where an applicant does not propose to have control of a site or sites but rather proposes to assist a homeless family or individual in obtaining a lease which may include assistance with rent payments and receiving supportive services, after which time the family or individual remains in the same housing without further assistance under this part, that applicant may not request assistance for acquisition, rehabilitation, or new construction.

[50 FR 13871, Mar. 15, 1985, is amended at 55 FR 50592 July 19, 1990.]

§588.155 Consolidated plan.

(a) *Applicants that are States or units of general local government.* The applicant must have a HUD-approved complete or abbreviated consolidated plan, in accordance with 24 CFR part 41, and must submit a certification that the application for funding is consistent with the HUD-approved consolidated plan. Funded applicants must certify in a grant agreement that they are following the HUD-approved consolidated plan.

(b) *Applicants that are not States or units of general local government.* The applicant must submit a certification by the jurisdiction in which the proposed project will be located that the applicant's application for funding is consistent with the HUD-approved HUD-approved consolidated plan. The certification must be made by the unit of general local government or the State, in accordance with the consistency certification provisions of the consolidated plan regulations, 24 CFR part 91, subpart F.

(c) *Indian tribes and the Federal Areas of Guam, the U.S. Virgin Islands, American Samoa, and the Northern Mariana Islands.* These entities are not required to have a consolidated plan or to make consolidated plan certifications. An application by an Indian tribe or other applicant for a project that will be located on a reservation of an Indian tribe will not require a certification of the tribe or the State. However, where an Indian tribe is not responsible for a project, HUD will not be bound by a

certification; the requirement for a certification under paragraph (b) of this section will apply.

(d) *Filing of consolidated plan certification submissions.* Unless otherwise set forth in the NOFA, the required certification that the application for funding is consistent with the HUD-approved consolidated plan must be submitted by the funding application submission deadline announced in the NOFA.

[50 FR 16360, Mar. 30, 1985]

Subpart C—Application and Grant Award Process

§583.200 Application and grant award.

When funds are made available for assistance, HUD will publish a notice of funding availability (NOFA) in the Federal Register, in accordance with the requirements of 24 CFR part 4. HUD will review and screen applications in accordance with the requirements in section 436 of the McKinney Act (42 U.S.C. 5306) and the guidelines, rating criteria, and procedures published in the NOFA.

[41 FR 41113, Sept. 23, 1966]

§583.230 Environmental review.

(a) *Generally.* Project selection is subject to completion of an environmental review of the proposed site, and the project may be modified as the site is selected as a result of that review. The environmental effects must be assessed in accordance with the provisions of the National Environmental Policy Act of 1969 (42 U.S.C. 4321) (NEPA), and the related environmental laws and authorities listed in HUD's implementing regulations at 24 CFR part 50 or 52, depending on who is responsible for conducting the review.

(b) *Environmental review by HUD.* HUD will perform an environmental review in accordance with part 5 of this title, before approval of conditionally selected applications received directly from private nonprofit organizations and governmental entities with special limited purpose powers. Any application for a project to environmental review by HUD that requires a "major" environmental statement (EIS) in accordance with the procedures in 40 CFR

part 50, subpart E, will not be eligible for assistance under this part.

(c) *Environmental review by applicants.* Applicants that are States, metropolitan cities, urban counties, tribes, or other governmental entities with general purpose powers must assume the responsibility for the commercial review decisionmaking and action for each application for assistance in accordance with part 50 of this title. These applicants must include in their applications an assurance that they will assume all the environmental review responsibility that would otherwise be performed by HUD as the responsible Federal official under NEPA and related authorities listed in 24 CFR part 50. The grant award is subject to completion of the environmental responsibilities set out in 24 CFR part 50 within a reasonable time period after notification of the award. Applicants may, however, enclose an environmental certification and Request for Release of Funds with their applications.

[1 FR 1170, Sept. 30, 1990]

§ 583.235 Renewal grants.

(a) *General.* Grants made under this part, and grants made under subparts C and D (the Supportive Housing Demonstration and SAFRAH respectively) of the Stewart B. McKinney Homeless Assistance Act as in effect before October 28, 1992, may be renewed on a non-competitive basis to continue housing, housing operations, and supportive services for additional years beyond the initial funding period. The recipient will be allowed funding for housing operating costs for supportive services. Recipients must submit a request to renew funding at the time specified by HUD, must meet the requirements of this part, and must submit requests within the time period established by HUD.

(b) *Assistance available.* The first renewal will be for a period of time not to exceed the difference between the end of the initial funding period and ten years from the date of initial award, or the end of initial funding period, whichever is earlier. Any subsequent renewals will be for a period of time not to exceed five years. Assistance under this part may be renewed for a total of

not to maintenance of effort requirements under § 583.150(a) may be for:

(1) Up to 50 percent of the actual operating and leasing costs in the final year of the initial funding period;

(2) Up to the amount of HUD assistance for supportive services in the final year of the initial funding period; and

(3) An allowance for cost increases.

(c) *HUD review.* (1) HUD will review the request for renewal and will evaluate the recipient's performance in previous years against the plans and goals established in the initial application for assistance, as amended. HUD will approve the request for renewal unless the recipient proposes to serve a population that is not homeless, or the recipient has not shown adequate progress as evidenced by an unacceptably slow expenditure of funds, or the recipient has been unsuccessful in assisting participants in achieving and maintaining independent living. In determining the recipient's success in assisting participants to achieve and maintain independent living, consideration will be given to the level and type of problems of participants. For recipients with a poor record of outcomes, HUD will also consider the recipient's willingness to accept technical assistance and to make changes suggested by technical assistance providers. Other factors which will affect HUD's decision to approve a renewal request include the following: a continuing history of inadequate financial management accounting practices, indications of mismanagement on the part of the recipient, a drastic reduction in the population served by the recipient, program changes made by the recipient without prior HUD approval, and loss of project site.

(2) HUD reserves the right to reject a request from any organization with an outstanding obligation to HUD that is in arrears or for which a payment schedule has not been agreed to, or whose business is an audit finding is overdue or unsatisfactory.

(3) HUD will notify the recipient or notify that the request has been approved or disapproved.

[Approved by the Office of Management and Budget under E.O. 12813, 51 FR 29000, Aug. 14, 1986]

Subpart D—Program Requirements

§ 583.300 General operation.

(a) *State and local requirements.* Each recipient of assistance under this part must provide housing or services that are in compliance with all applicable State and local housing codes, licensing requirements, and any other requirements in the jurisdiction in which the project is located regarding the condition of the structure and the operation of the housing or services.

(1) *Habitability standards.* Except for such variations as are proposed by the recipient and approved by HUD, supportive housing must meet the following requirements:

(i) *Structure and materials.* The structures must be structurally sound so as not to pose any threat to the health and safety of the occupants and so as to protect the residents from the elements.

(ii) *Access.* The housing must be accessible and capable of being utilized without unauthorized use of other private properties. Structures must provide alternate means of egress in case of fire.

(iii) *Space and security.* Each resident must be afforded adequate space and security for themselves and their belongings. Each resident must be provided an acceptable place to sleep.

(iv) *Interior air quality.* Every room or space must be provided with natural or mechanical ventilation. Structures must be free of pollutants in the air at levels that threaten the health of residents.

(v) *Water supply.* The water supply must be free from contamination.

(vi) *Sanitary facilities.* Residents must have access to sufficient sanitary facilities that are in proper operating condition, may be used in private, and are adequate for personal cleanliness and the disposal of human waste.

(vii) *Thermal environment.* The housing must have adequate heating and/or cooling facilities in proper operating condition.

(viii) *Smoke, noise, and electricity.* The housing must have adequate natural or artificial illumination to permit normal indoor activities and to support the health and safety of residents. Smoke and fire alarm devices must be pro-

vided to permit use of essential electrical appliances while assuring safety from fire.

(ix) *Food preparation and refuse disposal.* All food preparation areas must contain suitable space and equipment to store, prepare, and serve food in a sanitary manner.

(x) *Sanitary condition.* The housing and any equipment must be maintained in sanitary condition.

(xi) *Fire safety.* (i) Each unit must include at least one battery-operated or hard-wired smoke detector in proper working condition, on each occupied level of the unit. Smoke detectors must be located to the extent practicable in a hallway adjacent to a bedroom. If the unit is occupied by hearing-impaired persons, smoke detectors must have an alarm system designed for hearing-impaired persons in each bedroom occupied by a hearing-impaired person.

(ii) The public areas of all housing must be equipped with a sufficient number, but not less than one for each area, of battery-operated or hard-wired smoke detectors. Public areas include but are not limited to, laundry rooms, community rooms, day care centers, hallways, stairwells, and other common areas.

(iii) *Meals.* Each recipient of assistance under this part who provides supportive housing for homeless persons with disabilities must provide meals or meal preparation facilities for residents.

(iv) *Ongoing assessment of supportive services.* Each recipient of assistance under this part must conduct an ongoing assessment of the supportive services required by the residents of the project and the availability of such services, and make adjustments as appropriate.

(v) *Residential supervision.* Each recipient of assistance under this part must provide residential supervision, as necessary to facilitate the adequate provision of supportive services to the residents of the housing throughout the term of the commitment to provide supportive housing. Residential supervision may include the employment of

a full- or part-time residential supervisor with sufficient knowledge to provide or to supervise the provision of supportive services to the residents.

(f) *Participation of homeless persons.* (1) Each recipient must provide for the participation of homeless persons as required in section 426.g. of the McKinney Act (42 U.S.C. 11306.g.). This requirement is waived if an applicant is unable to meet it and presents a plan for HUD approval to otherwise consult with homeless or formerly homeless persons in considering and making policies and decisions. See also § 583.306(e).

(2) Each recipient of assistance under this part must, to the maximum extent practicable, involve homeless individuals and families through employment, volunteer services, or otherwise, in constructing, rehabilitating, maintaining, and operating the project and in providing supportive services for the project.

(g) *Records and reports.* Each recipient of assistance under this part must keep any records and make any reports including those pertaining to race, ethnicity, gender, and disability status data that HUD may require within the timeframe required.

(h) *Confidentiality.* Each recipient that provides family violence prevention or treatment services must develop and implement policies or to ensure:

(1) The confidentiality of records pertaining to any individual services; and

(2) That the address or location of any project assisted will not be made public, except with written authorization of the person or persons responsible for the operation of the project.

(i) *Termination of housing assistance.* The recipient may terminate assistance to a participant who violates program requirements. Recipients should terminate assistance only in the most severe cases. Recipients may resume assistance to a participant whose assistance was previously terminated. In terminating assistance to a participant, the recipient must provide a 30-day notice that preserves the rights of participants receiving assistance to the project. (1) This process shall be a minimum standard.

(1) Written notice to the participant containing a clear statement of the reasons for termination;

(2) A review of the decision, in which the participant is given the opportunity to present written or oral objections before a person other than the person or a subordinate of that person who made or approved the termination decision; and

(3) Prompt written notice of the final decision to the participant.

(j) *Limitation of stay in transitional housing.* A homeless individual or family may remain in transitional housing for a period longer than 24 months if permanent housing for the individual or family has not been located or if the individual or family requires additional time to prepare for independent living. However, HUD may discontinue assistance for a transitional housing project if more than half of the homeless individuals or families remain in that project longer than 24 months.

(k) *Outpatient health services.* Outpatient health services provided by the recipient must be approved as appropriate by HUD and the Department of Health and Human Services (HHS). Upon receipt of an application that proposes the provision of outpatient health services, HUD will consult with HHS with respect to the appropriateness of the proposed services.

(l) *Annual assurances.* Recipients who receive assistance only for housing, operational costs, or supportive services costs must provide an annual assurance for each year such assurance is required that the project will be operated for the purpose specified in the application.

(Approved by the Office of Management and Budget under control number 2500-0012)

(as amended by 65 FR 10,000, Mar. 15, 1990, as amended at 65 FR 40000, July 12, 1990, and 65 FR 40000, July 12, 1990)

§ 583.305 Term of commitment; repayment of grants; prevention of undue benefits.

(a) *Term of commitment and continuation.* Recipients must agree to operate, maintain, or provide supportive services in accordance with this part and with sections 423, 424, and 425 of the McKinney Act (42 U.S.C. 11323, 11324, 11325).

the payment of grant and prevention of undue benefits. In accordance with section 423(a) of the McKinney Act (42 U.S.C. 11303(a)), HUD will require recipients to repay the grant unless HUD has authorized conversion of the project under section 138(h)(3) of the McKinney Act (42 U.S.C. 1388(h)(3)).

(41 FR 50175, Sept. 30, 1976)

§583.310 Displacement, relocation, and acquisition.

(a) *Minimizing displacement.* Consistent with the other goals and objectives of this part, recipients must assure that they have taken all reasonable steps to minimize the displacement of persons (families, individuals, businesses, nonprofit organizations, and farms) as a result of supportive housing assisted under this part.

(1) *Relocation assistance for displaced persons.* A displaced person (defined in paragraph (f) of this section) must be provided relocation assistance at the levels described in, and in accordance with, the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) (42 U.S.C. 4501-4515) and implementing regulations at 48 CFR part 24.

(2) *Real property acquisition requirements.* The acquisition of real property for supportive housing is subject to the URA and the requirements described in 48 CFR parts 24, subpart B.

(3) *Responsibility of recipient.* (i) The recipient must certify (i.e., provide assurance of compliance) that it will comply with the URA, the regulations at 48 CFR part 24, and the requirements of this section, and must ensure such compliance notwithstanding any third party's construction obligation to the recipient to comply with these provisions.

(ii) The cost of required relocation assistance is an eligible project cost in the same manner and to the same extent as other project costs. Such costs may be paid for with land policy funds or funds available from other sources.

(iii) The recipient must maintain records to substantiate its compliance with provisions of this section.

(4) *Appeals.* A person who disagrees with the recipient's determination

concerning whether the person qualifies as a "displaced person" or the amount of relocation assistance for which the person is eligible, may file a written appeal of that determination with the recipient. A low income person who is dissatisfied with the recipient's determination on his or her appeal may submit a written request for review of that determination to the HUD field office.

(f) *Definition of displaced person.* (1) For purposes of this section, the term "displaced person" means a person (family, individual, business, nonprofit organization, or farm) that moves from real property, or moves personal property from real property permanently as a direct result of acquisition, relocation, or demolition for supportive housing projects assisted under this part. The term "displaced person" includes, but may not be limited to:

(i) A person that moves permanently from the real property after the property owner (or person in control of the site) issues a vacate notice, or refuses to renew an expiring lease in order to evade the responsibility to provide relocation assistance, if the move occurs on or after the date the recipient submits to HUD the acquisition or acquisition improvement description for the project site.

(ii) Any person, including a person who moves before the date described in paragraph (i)(1) of this section, if the recipient or HUD determines that the displacement resulted directly from acquisition, rehabilitation, or demolition for the assisted project.

(3) A tenant occupant of a dwelling unit who moves permanently from the building complex on or after the date of the termination of negotiations (see paragraph (g) of this section) if the move occurs before the tenant has been provided written notice offering him or her the opportunity to lease and occupy a suitable, decent, safe and sanitary dwelling in the same building, complex, and reasonable terms and conditions upon relocation of the project. Such lease shall be on the conditions made by the recipient that shall not exceed average market rental rates that are not in excess of the prevailing

(A) The tenant's monthly rent before the initiation of negotiations and estimated average utility costs; or

(B) 30 percent of gross household income. If the initial rent is at or near the maximum, there must be a reasonable basis for concluding at the time the project is initiated that future rent increases will be modest.

(iv) A tenant of a dwelling who is required to relocate temporarily, and does not return to the building complex, is eligible.

(A) A tenant is not offered payment for all reasonable out-of-pocket expenses incurred in connection with the temporary relocation; or

(B) Other conditions of the temporary relocation are not reasonable.

(v) A tenant of a dwelling who moves from the building complex permanently after he or she has been required to move to another unit in the same building complex, if either:

(A) The tenant is not offered reimbursement for all reasonable out-of-pocket expenses incurred in connection with the move; or

(B) Other conditions of the move are not reasonable.

(3) Notwithstanding the provisions of paragraph (1)(i) of this section, a person does not qualify as a displaced person, and is not eligible for relocation assistance under the URA of this section, if:

(i) The person has been evicted for or on a reported violation of the terms and conditions of the lease or occupancy agreement; violation of applicable Federal, State, or local or tribal law; or other good cause; and HUD determines that the eviction was not undertaken for the purpose of relieving the obligation to provide relocation assistance;

(ii) The person moved into the property after the submission of the application and, before signing a lease and commencing occupancy, was provided written notice of the right to a possible impact on the person (e.g., the person may be displaced, temporarily relocated, or suffer a loss of income); and the fact that the person would not qualify as a displaced person, and the assistance provided under this section if he or she were eligible.

(iii) The person is ineligible under 24 CFR 583.320(b).

(iv) HUD determines that the person was not displaced as a direct result of acquisition, rehabilitation, or demolition for the project.

(3) The recipient may request, at any time, HUD's determination of whether a displacement is or would be covered under this section.

(g) *Definition of initiation of negotiations.* For purposes of determining the formula for computing the replacement housing assistance to be provided to a residential tenant displaced as a direct result of privately undertaken rehabilitation, demolition, or acquisition of the real property, the term "initiation of negotiations" means the execution of the agreement between the recipient and HUD.

(h) *Definition of project.* For purposes of this section, the term "project" means an undertaking paid for in whole or in part with assistance under this part. Two or more activities that are intertemporally related, each essential to the others, are considered a single project, whether or not all component activities receive assistance under this part.

24 CFR 583.315, Mar. 15, 1991, as amended at 54 FR 60492, July 19, 1991.

§ 583.315 Resident rent.

(a) *Calculation of replacement rent.* Each resident of supportive housing may be required to pay as rent an amount determined by the recipient which may not exceed the highest of:

(1) 30 percent of the family's monthly adjusted income; and minimum factors include the number of people in the family, age of family members, medical expenses and child care expenses. The calculation of the family's monthly adjusted income must include the expense reductions provided in 24 CFR 583.316(a), and for persons with disabilities, the calculation of the family's monthly adjusted income must also include the expense reductions of applied income as provided in 24 CFR 583.317, if applicable;

(2) 10 percent of the family's monthly gross income;

(3) If the family is receiving public housing or welfare, the replacement

public agency and a part of the payments, adjusted in accordance with the family's actual housing costs, is specifically designated by the agency to meet the family's housing costs, the portion of the payment that is designated for housing costs.

(b) *Use of rent.* Resident rent may be used in the operation of the project or may be reserved, in whole or in part, to assist residents of transitional housing in moving to permanent housing.

(c) *Fees.* In addition to resident rent, recipients may charge residents reasonable fees for services not paid with grant funds.

(38 FR 19871, May 15, 1973, as amended at 59 FR 36307, July 15, 1994, 66 FR 8225, Feb. 14, 2001)

§583.320 Site control.

(a) *Site control.* (1) Where grant funds will be used for acquisition, rehabilitation, or new construction to provide supportive housing or supportive services, or where grant funds will be used for operating costs of supportive housing, or where grant funds will be used to provide supportive services except where an applicant will provide services at sites not operated by the applicant, an applicant must demonstrate site control before HUD will execute a grant agreement (e.g., through a deed, lease, executed contract of sale). If such site control is not demonstrated within one year after initial notification of the award of assistance under this part, the grant will be deobligated as provided in paragraph (c) of this section.

(2) Where grant funds will be used to lease all or part of a structure to provide supportive housing or supportive services, or where grant funds will be used to lease individual housing units from persons who will eventually control the units, site control need not be demonstrated.

(3) *Ownership.* (A) A recipient may retain ownership or control of a suitable site different from the one specified in its application. Recipients of new construction are subject to the new site meeting all requirements under this part's suitable sites.

(B) If a recipient acquires, rehabilitates, reconstructs, or demolishes, or new construction costs for the suitable

site are greater than the amount of any grant awarded for the site specified in the application, the recipient must provide for all additional costs. If the recipient is unable to demonstrate to HUD that it is able to provide for the difference in costs, HUD may deobligate the award of assistance.

(b) *Failure to obtain site control within one year.* HUD will deobligate any award for assistance under this part if the recipient is not in control of a suitable site before the expiration of one year after initial notification of an award.

§583.325 Nondiscrimination and equal opportunity requirements.

(a) *General.* Notwithstanding the purpose, policy, or proposals that serve designated populations of disabled homeless persons, recipients serving a designated population of disabled homeless persons are required, within the designated population, to comply with these requirements for nondiscrimination on the basis of race, color, religion, sex, national origin, age, familial status, and disability.

(b) *Nondiscrimination and equal opportunity requirements.* The nondiscrimination and equal opportunity requirements set forth at part 5 of this title apply to this program. The Indian Civil Rights Act (25 U.S.C. 1301 et seq.) applies to tribes when they exercise their powers of self-government, and to Indian housing authorities (IHAs) when established by the exercise of such powers. When an IHA is established under State law, the applicability of the Indian Civil Rights Act will be determined on a case-by-case basis. Programs subject to the Indian Civil Rights Act must be developed and operated in compliance with its provisions and all implementing HUD regulations, instead of title VI and the Fair Housing Act and their implementing regulations.

(c) *Procedures.* (1) If the procedure that the recipient intends to use to make known the availability of any supportive housing are unlikely to reach persons of any particular race, color, religion, sex, or national origin, HUD will require the recipient who

may qualify for admission to the housing, the recipient must establish a local procedure that will ensure that such persons can obtain information concerning availability of the housing.

(2) The recipient must adopt procedures to make available information on the existence and locations of facilities and services that are accessible to persons with a handicap and maintain evidence of implementation of the procedures.

(d) **Accessibility requirements.** The recipient must comply with the new construction accessibility requirements of the Fair Housing Act and section 504 of the Rehabilitation Act of 1973 and the reasonable accommodation and rehabilitation accessibility requirements of section 504 as follows:

(1) All new construction must meet the accessibility requirements of 24 CFR 8.22 and, as applicable, 24 CFR 100.205.

(2) Projects in which costs of rehabilitation are 75 percent or more of the replacement cost of the building must meet the requirements of 24 CFR 8.22(a). Other rehabilitation must meet the requirements of 24 CFR 8.22(b).

As of 1983, Pub. L. 98-1 as amended at 59 FR 3584, Jan. 30, 1994, 61 FR 100, Dec. 8, 1996; 61 FR 317, Sept. 30, 1996.

§583.330 Applicability of other Federal requirements.

In addition to the requirements set forth in 24 CFR part 8, any assistance provided under this part must comply with the following Federal requirements:

(a) **Flood insurance.** (1) The Flood Disaster Protection Act of 1973 (42 U.S.C. 5001-4126) prohibits the approval of applications for assistance, participation in construction including rehabilitation for supportive housing located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards unless:

(i) The community in which the area is situated is participating in the National Flood Insurance Program (see 24 CFR parts 24 through 26) or less than a year has passed since FEMA notification regarding such participation.

(ii) The community is deemed to be in a state of approval of the application.

(2) Applicants with supportive housing located in an area identified by FEMA as having special flood hazards and receiving assistance for acquisition or construction (including rehabilitation) are responsible for assuring that flood insurance under the National Flood Insurance Program is obtained and maintained.

(b) The Coastal Barrier Resources Act of 1982 (16 U.S.C. 3501 et seq.) may apply to proposals under this part, depending on the assistance requested.

(c) **Applicability of OMB Circulars.** The policies, guidelines, and requirements of OMB Circular No. A-87 (Cost Principles Applicable to Grants, Contracts and Other Agreements with State and Local Governments) and 24 CFR part 85 apply to the award, acceptance, and use of assistance under the program by governmental entities and OMB Circular Nos. A-110 (Grants and Cooperative Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations) and A-122 (Cost Principles Applicable to Grants, Contracts and Other Agreements with Nonprofit Institutions) apply to the acceptance and use of assistance by private nonprofit organizations, except where inconsistent with the provisions of the McKinney Act, other Federal statutes, or this part. Copies of OMB Circulars may be obtained from F.G.P. Publications, room 2700, New Executive Office Building, Washington, DC 20501, telephone (202) 396-7432. (This is not a toll-free number. There is a limit of two free copies.)

(d) **Lead-based paint.** The Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4521-4546), the Residential Lead-Based Paint Hazard Reduction Act of 1990 (42 U.S.C. 4801-4846), and implementing regulations at part 15, subparts A, B, J, K, and L of this title apply to activities under this program.

(e) **Conflict of interest.** (1) In addition to the conflict of interest requirements in 24 CFR part 85, no person who is an employee, agent, consultant, or official of the recipient and who advises or has advised any functions or responsibilities with respect to assisted supportive housing is in a position to participate in the administration of the program.

information with regard to such activities, may obtain a personal or financial interest or benefit from the activity, or have an interest in any contract, subcontract, or agreement with respect thereto, or the proceeds thereunder, either for himself or herself or for those with whom he or she has family or business ties during his or her tenure or for one year thereafter. Participation by homeless individuals who also are participants under the program in policy or decision-making, under § 583.409, does not constitute a conflict of interest.

(2) Upon the written request of the recipient, HUD may grant an exception to the provisions in paragraph (c)(1) of this section on a case-by-case basis when it determines that the exception will serve to further the purposes of the program and the effective and efficient administration of the recipient's project. An exception may be granted only after the recipient has provided the following:

(i) For States and other governmental entities: a disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and

(ii) For all recipients: an opinion of the recipient's attorney that the request for which the exception is sought would not violate State or local law.

(3) In determining whether to grant a requested exception under this recipient has satisfactorily met the requirement of paragraph (c)(2) of this section, HUD will consider the cumulative effect of the following factors, where applicable:

(i) Whether the exception would provide a significant cost benefit or an essential degree of expertise to the project which would otherwise not be available;

(ii) Whether the person affected is a member of a group or class of vulnerable persons and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;

(iii) Whether the affected person has withdrawn from the project and/or is responsible for the failure of the

project with respect to the specific assisted activity in question;

(iv) Whether the interest or benefit was present before the affected person was in a position as described in paragraph (c)(1) of this section;

(v) Whether undue hardships will be suit either to the recipient or the person affected when weighed against the public interest served by avoiding the prohibited conflict; and

(vi) Any other relevant considerations.

(f) *Audit.* The financial management systems used by recipients under this program must provide for audits in accordance with 24 CFR part 44 or part 60, as applicable. HUD may perform or require additional audits as it finds necessary or appropriate.

(g) *Davis-Bacon Act.* The provisions of the Davis-Bacon Act do not apply to this part.

48 FR 10871, Mar. 10, 1993, as amended at 57 FR 5031, Feb. 3, 1992; 54 FR 25230, Sept. 13, 1990.

Subpart E—Administration

§ 583.400 Grant agreement.

(a) *General.* The duty to provide supportive housing or supportive services in accordance with the requirements of this part will be incorporated in a grant agreement executed by HUD and the recipient.

(b) *Enforcement.* HUD will enforce the obligations in the grant agreement through such action as may be appropriate, including recovery of funds that have already been disbursed to the recipient.

§ 583.405 Program changes.

(a) *HUD approval.* (1) A recipient may not make any significant changes to an approved program without HUD's approval. Significant changes include, but are not limited to, a change in the recipient, a change in the project site, additions or deletions in the types of activities listed in § 583.400 or that are approved for the program, or a shift of more than 10 percent of funds from the approved type of activity to another, and a change in the nature of the activity. (2) Any changes approved for the nature of the change will not require

§583.410

a new certification of consistency with the consolidated plan (see §583.155).

(2) Approval for changes is contingent upon the application ranking remaining high enough after the approved change to have been competitively selected for funding in the year the application was selected.

(3) *Dissemination of other changes.* Any changes to an approved program that do not require prior HUD approval must be fully documented in the recipient's records.

(48 FR 18771, May 17, 1983, as amended at 61 FR 51175, Sept. 30, 1996)

§583.410 Obligation and deobligation of funds.

(a) *Obligation of funds.* When HUD and the applicant execute a grant agreement, funds are obligated to cover the amount of the approved assistance under subpart B of this part. The recipient will be expected to carry out the supportive housing or supportive services activities as proposed in the application.

(b) *Increases.* After the initial obligation of funds, HUD will not make payments to increase the amount obligated.

(c) *Deobligation.* (1) HUD may deobligate all or parts of grants for acquisition, rehabilitation, acquisition and rehabilitation or new construction.

(2) If the actual total cost of acquisition, rehabilitation, acquisition and rehabilitation, or new construction is less than the total cost anticipated in the application or

(3) If proposed activities for which funding was obligated are not begun within three months or residents do not begin to occupy the facility within nine months after grant execution.

(3) HUD may deobligate the amounts for acquisition, rehabilitation, acquisition and rehabilitation or new construction or supportive services in any year.

(4) If the approved housing costs, construction costs or supportive services for that year are less than the total cost anticipated in the application or

(5) If the proposed supportive housing operations are not begun within three months or residents do not begin to occupy the facility within nine months after grant execution.

(6) The grant agreement may set forth in writing other circumstances

24 CFR Ch. V (4-1-03 Edition)

under which funds may be deobligated, and other sanctions may be imposed.

(4) HUD may:

(i) Readvertise the availability of funds that have been deobligated under this section in a notice of fund availability under §583.200; or

(ii) Award deobligated funds to applications previously submitted in response to the most recently published notice of fund availability, and in accordance with subpart C of this part.

PART 585—YOUTHBUILD PROGRAM

Subpart A—General

Sec.

585.1 Authority.

585.2 Program purpose.

585.3 Program components.

585.4 Definitions.

Subpart B [Reserved]

Subpart C—Youthbuild Planning Grants

585.501 Purpose.

585.502 Award limits.

585.503 Grant term.

585.504 Locational considerations.

585.505 Eligible activities.

Subpart D—Youthbuild Implementation Grants

585.601 Purpose.

585.602 Award limits.

585.603 Grant term.

585.604 Locational considerations.

585.605 Eligible activities.

585.606 Designation of costs.

585.607 Environmental protection and standards.

585.608 Deobligation assistance and real property acquisition.

585.609 Project-related restrictions applicable to Youthbuild transitional housing.

585.610 Project-related restrictions applicable to Youthbuild transitional housing for the homeless.

585.611 Project-related restrictions applicable to Youthbuild implementation grants.

585.612 Waiver, waiver standards, and appeals for the homeless.

585.613 Waiver standards.

Subpart E—Administration

585.701 Identification of recipient.

585.702 Grant agreement.

585.703 Reporting requirements.

585.704 Program closure.

EXHIBIT L
24 CFR PART 84

EXHIBIT L

Office of the Secretary, HUD

§ 84.1

PART 84— UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND AGREEMENTS WITH INSTITUTIONS OF HIGHER EDUCATION, HOSPITALS, AND OTHER NON-PROFIT ORGANIZATIONS

Subpart A—General

- Sec.
- 84.1 Purpose.
- 84.2 Definitions.
- 84.3 Effect of other laws.
- 84.4 Deviations.
- 84.5 Subawards.

Subpart B—Pre-Award Requirements

- 84.6 Purpose.
- 84.7 Pre-award policies.
- 84.8 Forms for applying for Federal assistance.
- 84.9 Debarment and suspension: Drug Free Workplace.
- 84.10 Special award conditions.
- 84.11 Metric system of measurement.
- 84.12 Resource Conservation and Recovery Act.
- 84.13 Certifications and representations.

Subpart C—Post-Award Requirements

FINANCIAL AND PROGRAM MANAGEMENT

- 84.20 Purpose of financial and program management.
- 84.21 Standards for financial management systems.
- 84.22 Payment.
- 84.23 Cost sharing or matching.
- 84.24 Program income.
- 84.25 Policies of budget and program plans.
- 84.26 Non-Federal audits.
- 84.27 Allowable costs.
- 84.28 Period of availability of funds.

PROPERTY STANDARDS

- 84.31 Purpose of property standards.
- 84.32 Insurance coverage.
- 84.33 Real property.
- 84.34 Federally-owned and exempt property.
- 84.35 Equipment.
- 84.36 Supplies and other expendable property.
- 84.37 Intangible property.
- 84.38 Property loss reimbursement.

PROCUREMENT STANDARDS

- 84.40 Purpose of procurement standards.
- 84.41 Recipient responsibilities.
- 84.42 Codes of conduct.
- 84.43 Competition.
- 84.44 Procurement procedures.
- 84.45 Cost and price analysis.
- 84.46 Procurement records.
- 84.47 Contract administration.

84.48 Contract provisions

REPORTS AND RECORDS

- 84.50 Purpose of reports and records.
- 84.51 Monitoring and reporting program performance.
- 84.52 Financial reporting.
- 84.53 Retention and access requirements for records.

TERMINATION AND ENFORCEMENT

- 84.60 Purpose of termination and enforcement.
- 84.61 Termination.
- 84.62 Enforcement.

Subpart D—After-the-Award Requirements

- 84.70 Purpose.
- 84.71 Closeout procedures.
- 84.72 Subsequent adjustments and continuing responsibilities.
- 84.73 Collection of amounts due.

Subpart E—Use of Lump Sum Grants

- 84.80 Definitions for use of Lump Sum (fixed price or fixed amount) grants.
- 84.81 Definition.
- 84.82 Provisions applicable only to lump sum grants.
- 84.83 Property standards.
- 84.84 Procurement standards.
- 84.85 Reports and records.
- 84.86 Termination and enforcement.
- 84.87 Closeout procedures, subsequent adjustments and continuing responsibilities.

APPENDIX A TO PART 84—CONTRACT PROVISIONS

AUTHORITY: 42 U.S.C. 5546(a).

Source: 70 FR 4707, Sept. 18, 1995, unless otherwise noted.

Subpart A—General

§ 84.1 Purpose.

This part establishes uniform administrative requirements for Federal grants and agreements awarded to institutions of higher education, hospitals, and other non-profit organizations. Additional or inconsistent requirements shall not be imposed, except as provided in § 84.4, and 84.11 or unless specifically required by the end of this part. Executive Order Non-profit Organizations that Implement Federal Programs for the States are also subject to the following requirements:

§84.2 Definitions.

Accrued expenditures means the charges incurred by the recipient during a given period requiring the provision of funds for:

(1) Goods and other tangible property received;

(2) Services performed by employees, contractors, subrecipients, and other payees; and

(3) Other amounts becoming owed under programs for which no current services or performance is required.

Accrued income means the sum of:

(1) Earnings during a given period from:

(i) Services performed by the recipient; and

(ii) Goods and other tangible property delivered to purchasers; and

(2) Amounts becoming owed to the recipient for which no current services or performance is required by the recipient.

Acquisition cost of equipment means the net invoice price of the equipment, including the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the property usable for the purpose for which it was acquired. Other charges, such as the cost of installation, transportation, taxes, duty or protective in-transit insurance, shall be included or excluded from the unit acquisition cost in accordance with the recipient's regular accounting practices.

Advance means a payment made by Treasury check or other appropriate payment mechanism to a recipient upon its request either before outlays are made by the recipient or through the use of predetermined payment schedules.

Award means financial assistance that provides support or stimulation to accomplish a public purpose. Awards include grants and other agreements in the form of money or property in lieu of money, by HUD to an eligible recipient. The term does not include: technical assistance, which provides services instead of money; other assistance in the form of loans, loan guarantees, capital advances under the Sections 202 and 201 programs, interest subsidies, or insurance; direct payments of any kind to individuals; and, contracts which are required to be entered into and ad-

ministered under procurement laws and regulations.

Cash contributions means the recipient's cash outlay, including the outlay of money contributed to the recipient by third parties.

Closure means the process by which HUD determines that all applicable administrative actions and all required work of the award have been completed by the recipient and HUD.

Contract means a procurement contract under an award or subaward, and a procurement subcontract under a recipient's or subrecipient's contract.

Cost sharing or matching means that portion of project or program costs not borne by HUD.

Date of completion means the date on which all work under an award is completed or the date on the award document, or any supplement or amendment thereto, on which HUD sponsorship ends.

Disallowed costs means those charges to an award that HUD determines to be unallowable, in accordance with the applicable Federal cost principles or other terms and conditions contained in the award.

Equipment means tangible nonexpendable personal property including exempt property charged directly to the award having a useful life of more than one year and an acquisition cost of \$5000 or more per unit. However, consistent with recipient policy, lower limits may be established.

Excess property means property under the control of HUD that, as determined by the Secretary, is no longer required for its needs or the discharge of its responsibilities.

Exempt property means tangible personal property acquired in whole or in part with Federal funds, where HUD has statutory authority to vest title in the recipient without further obligation to the Federal Government. An example of exempt property authority is contained in the Federal Grant and Cooperative Agreement Act (31 U.S.C. 6306), for property acquired under an award to conduct basic or applied research by a non-profit institution of higher education or non-profit organization whose principal purpose is conducting scientific research.

Federal awarding agency means the Federal agency that provides an award to the recipient.

Federal funds authorized means the total amount of Federal funds obligated by HUD for use by the recipient. This amount may include any authorized carryover of unobligated funds from prior funding periods when permitted by HUD regulations or implementing instructions.

Federal share of real property equipment, or supplies means that percentage of the property's acquisition costs and any improvement expenditures paid with Federal funds.

Funding period means the period of time when Federal funding is available for obligation by the recipient.

Intangible property and debt instruments means, but is not limited to, trademarks, copyrights, patents and patent applications and such property as loans, notes and other debt instruments, lease agreements, stock and other instruments of property ownership, whether considered tangible or intangible.

Obligations means the amounts of orders placed, contracts and grants awarded, services received and similar transactions during a given period that require payment by the recipient during the same or a future period.

Outlays or expenditures means charges made to the project or program. They may be reported on a cash or accrual basis. For reports prepared on a cash basis, outlays are the sum of cash disbursements for direct charges for goods and services, the amount of indirect expense charged, the value of third party in-kind contributions applied, and the amount of cash advances and payments made to subrecipients. For reports prepared on an accrual basis, outlays are the sum of cash disbursements for direct charges for goods and services, the amount of indirect expense incurred, the value of in-kind contributions applied, and the net increase or decrease in the amounts owed by the recipient for goods and other property received for services performed by employees, contractors, subrecipients and other parties and other amounts becoming owed under programs for which the recipient receives or performs and is required.

Personal property means property of any kind except real property. It may be tangible, having physical existence, or intangible, having no physical existence, such as copyrights, patents, or securities.

Prior approval means written approval by an authorized official requiring prior consent.

Program income means gross income earned by the recipient that is directly generated by a supported activity or earned as a result of the award (see exclusions in §§ 84.21 (e) and (f)). Program income includes, but is not limited to, income from fees for services performed, the use or rental of real or personal property acquired under Federally funded projects, the sale of commodities or items fabricated under an award, license fees and royalties on patents and copyrights, and interest on loans made with award funds. Interest earned on advances of Federal funds is not program income. Except as otherwise provided in HUD regulations or the terms and conditions of the award, program income does not include the receipt of principal on loans, rebates, credits, discounts, etc., or interest earned on any of them.

Project costs means all allowable costs, as set forth in the applicable Federal cost principles incurred by a recipient and the value of the contributions made by third parties in accomplishing the objectives of the award during the project period.

Project period means the period established in the award document during which HUD sponsorship begins and ends.

Property means, unless otherwise stated, real property, equipment, intangible property and debt instruments.

Real property means land, including land improvements, structures and appurtenances thereto, but excludes movable machinery and equipment.

Recipient means an organization receiving financial assistance directly from HUD to carry out a project or program. The term includes public and private institutions or similar education, public and private hospitals, and other public and private non-profit organizations such as, but not limited to, commercial banks, etc.

§54.2

research institutes, educational associations, and health centers. The term includes commercial organizations, international organizations when operating domestically (such as agencies of the United Nations) which are recipients, subrecipients, or contractors or subcontractors of recipients or subrecipients. The term does not include government-owned contractor-operated facilities or research centers providing continued support for mission-oriented, large-scale programs that are government owned or controlled, or are designated as federally-funded research and development centers. The term does not include mortgages that receive mortgages insured or held by HUD or mortgages or project owners that receive capital advances from HUD under the Section 202 and 811 programs.

Research and development means all research activities, both basic and applied, and all development activities that are supported at universities, colleges, and other non-profit institutions. "Research" is defined as a systematic study directed toward fuller scientific knowledge or understanding of the subject studied. "Development" is the systematic use of knowledge and understanding gained from research directed toward the production of useful materials, devices, systems, or methods, including design and development of prototypes and processes. The term research also includes activities involving the training of individuals in research techniques where such activities utilize the same facilities as other research and development activities and where such activities are not included in the instruction function.

Small award means a grant or cooperative agreement not exceeding \$100,000 or the small purchase threshold fixed at 41 U.S.C. 403(11), whichever is greater.

Subaward means

(1) An award of financial assistance in the form of money, or property in lieu of money, made under an award by a recipient to an eligible subrecipient or by a subrecipient to a lower tier subrecipient. The term includes financial assistance when provided by any legal agreement, even if the agreement is called a contract but does not include

24 CFR Subtitle A (4-1-03 Edition)

procurement of goods and services nor does it include any form of assistance which is excluded from the definition of "award."

(2) For Community Development Block Grants, the term "subaward" does not include the arrangement whereby the prime recipient transfers funds to another entity and that entity is the project. A distinction is made between such a transfer for the furtherance of the prime recipient's goals and the transfer of funds to a subrecipient who carries out activities and is accountable to the prime recipient. For example, in a CDBG award where a prime recipient has as its program goal the revitalization of a downtown area, the funds transferred to a business in the downtown area to remodel its store would not be considered a subaward subject to this part 54.

Subrecipient means the legal entity to which a subaward is made and which is accountable to the recipient for the use of the funds provided. The term includes commercial organizations and international organizations operating domestically (such as agencies of the United Nations).

Supplies means all personal property excluding equipment, intangible property, and debt instruments as defined in this section, and inventions of a contractor conceived or first actually reduced to practice in the performance of work under a funding agreement ("subject inventions"), as defined in 37 CFR part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts, and Cooperative Agreements."

Suspension means an action by HUD that temporarily withdraws HUD sponsorship under an award, pending corrective action by the recipient or pending a decision to terminate the award by HUD. Suspension of an award is a separate action from suspension under HUD regulations implementing E.O. 12549 and E.O. 12689, "Debarment and Suspension," at 24 CFR part 25.

Termination means the cancellation of HUD sponsorship, in whole or in part, under an agreement at any time prior to the date of completion.

Third party in-kind contributions means the value of non-cash contributions provided by non-Federal third parties. Third party in-kind contributions may be in the form of real property, equipment, supplies and other expendable property, and the value of goods and services directly benefiting and specifically identifiable to the project or program.

Indebted obligations, for financial reports prepared on a cash basis, means the amount of obligations incurred by the recipient that have not been paid. For reports prepared on an accrued expenditure basis, they represent the amount of obligations incurred by the recipient for which an outlay has not been recorded.

Unobligated balance means the portion of the funds authorized by HUD that has not been obligated by the recipient and is determined by deducting the cumulative obligations from the cumulative funds authorized.

Unrecovered indirect cost means the difference between the amount awarded and the amount which could have been awarded under the recipient's approved negotiated indirect cost rate.

Working capital advance means a procedure whereby funds are advanced to the recipient to cover its estimated disbursement needs for a given initial period.

§ 84.3 Effect on other issuances.

For awards subject to this part, all administrative requirements of unified program regulations, program manuals, handbooks and other non-regulatory materials which are inconsistent with the requirements of this part shall be superseded, except to the extent they are required by statute, or authorized in accordance with the delegations provision in § 81.1.

§ 84.4 Deviations.

The Office of Management and Budget (OMB) may grant exceptions for awards of grants to recipients subject to the requirements of this rule when exceptions are not prohibited by statute; however, in the interest of maximum uniformity, exceptions from the requirements of this rule will be permitted only in unusual circumstances, and it may apply more restrictive re-

quirements to a class of recipients when approved by OMB. HUD may apply less restrictive requirements when awarding small awards and when approved by OMB, except for those requirements which are statutory. Exceptions on a case by case basis may also be made by HUD.

§ 84.5 Subawards.

Unless sections of this part specifically exclude subrecipients from coverage, the provisions of this part shall be applied to subrecipients performing work under awards if such subrecipients are institutions of higher education, hospitals, commercial organizations and international organizations operating domestically, or other non-profit organizations. State, local and Federally recognized Indian tribal government subrecipients are subject to the provisions of regulations implementing the grant management component rule, "Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments," (25 CFR part 85).

Subpart B—Pre-Award Requirements

§ 84.10 Purpose.

Sections 84.11 through 84.17 prescribe forms and instructions and other pre-award matters to be used in applying for HUD awards.

§ 84.11 Pre-award policies.

(a) *Use of Grants and Cooperative Agreements, and Contracts*. In each instance, HUD shall decide on the appropriate award instrument (i.e., grant, cooperative agreement, or contract). The Federal Grant and Cooperative Agreement Act (51 U.S.C. 6301-05) governs the use of grants, cooperative agreements and contracts. A grant or cooperative agreement shall be used only when the principal purpose of a transaction is to accomplish a public purpose or support or stimulation authorized by Federal statute. The statutory criterion for choosing between grants and cooperative agreements is that for the latter, "substantial involvement is expected between the Federal Government and the State, local,

§ 84.12

government, or other recipient when carrying out the activity contemplated in the agreement." Contracts shall be used when the principal purpose is acquisition of property or services for the direct benefit or use of the Federal Government.

(b) *Public Notice and Priority Setting.* HUD shall notify the public of its intended funding priorities for discretionary grant programs, unless funding priorities are established by Federal statute.

§ 84.12 Forms for applying for Federal assistance.

(a) HUD shall comply with the applicable report clearance requirements of 5 CFR part 1320, "Controlling Paperwork Burdens on the Public," with regard to all forms used by HUD in place of or as a supplement to the Standard Form 424 (SF-424) series.

(b) Applicants shall use the SF 424 series or those forms and instructions prescribed by HUD.

(c) For Federal programs covered by E.O. 12372, "Intergovernmental Review of Federal Programs," the applicant shall complete the appropriate sections of the SF-424 (Application for Federal Assistance) indicating whether the application was subject to review by the State Single Point of Contact (SPOC). The name and address of the SPOC for a particular State can be obtained from the *Catalog of Federal Domestic Assistance*. The SPOC shall advise the applicant whether the program for which application is made has been selected by that State for review.

§ 84.13 Debarment and suspension; Drug-Free Workplace.

(a) HUD and its recipients and sub-recipients shall comply with the non-procurement debarment and suspension common rule implementing E.O.s 12649 and 12689, "Debarment and Suspension," at 24 CFR part 24. This common rule restricts subawards and contracts with certain parties that are debarred, suspended or otherwise excluded from or ineligible for participation in Federal assistance programs or activities.

(b) HUD and its recipients and sub-recipients shall comply with the certification requirements of the Drug-Free Workplace Act of 1988 (42 U.S.C.

24 CFR Subtitle A (4-1-03 Edition)

701), as set forth at 24 CFR part 21, subpart F.

§ 84.14 Special award conditions.

If an applicant or recipient:

(a) Has a history of poor performance;

(b) Is not financially stable;

(c) Has a management system that does not meet the standards prescribed in this part;

(d) Has not conformed to the terms and conditions of a previous award, or

(e) Is not otherwise responsible HUD may impose additional requirements as needed, provided that such applicant or recipient is notified in writing as to: the nature of the additional requirements, the reason why the additional requirements are being imposed, the nature of the corrective action needed, the time allowed for completing the corrective actions, and the method for requesting reconsideration of the additional requirements imposed. Any special conditions shall be promptly removed once the conditions that prompted them have been corrected.

§ 84.15 Metric system of measurement.

The Metric Conversion Act, as amended by the Omnibus Trade and Competitiveness Act (15 U.S.C. 205) declares that the metric system is the preferred measurement system for U.S. trade and commerce. The Act requires each Federal agency to establish a date or dates in consultation with the Secretary of Commerce, when the metric system of measurement will be used in the agency's procurements, grants, and other business-related activities. Metric implementation may take longer where the use of the system is initially impractical or likely to cause significant inefficiencies in the accomplishment of federally-funded activities. HUD shall follow the provisions of E.O. 12770, "Metric Usage in Federal Government Programs."

§ 84.16 Resource Conservation and Recovery Act.

Under the Resource Conservation and Recovery Act (RCRA) (Pub. L. 94-590, 42 U.S.C. 6962), any State agency or agency of a political subdivision of a State which is using appropriated Federal funds must comply with Section

8002. Section 6002 requires that preference be given in procurement programs to the purchase of specific products containing recycled materials identified in guidelines developed by the Environmental Protection Agency (EPA) (40 CFR parts 247 through 256). Accordingly, State and local institutions of higher education, hospitals, commercial organizations and inter-national organizations when operating domestically, and non-profit organizations that receive direct Federal awards or other Federal funds shall give preference in their procurement programs funded with Federal funds to the purchase of recycled products pursuant to the EPA guidelines.

§ 84.17 Certifications and representations.

Unless prohibited by statute or unified regulation HUD is authorized and encouraged to allow recipients to submit certifications and representations required by statute, executive order, or regulation on an annual basis, if the recipients have ongoing and continuing relationships with the agency. Annual certifications and representations shall be signed by responsible officials with the authority to ensure recipients' compliance with the pertinent requirements.

Subpart C—Post-Award Requirements

FINANCIAL AND PROGRAM MANAGEMENT

§ 84.20 Purpose of financial and program management.

Sections 84.21 through 84.28 prescribe standards for financial management systems, methods for making payments and rules for satisfying cost sharing and matching requirements, accounting for program income, budget review approvals, making audits, determining allowability of cost, and establishing fund availability.

§ 84.21 Standards for financial management systems.

(a) HUD shall require recipients to retain financial data to perform cost share and funding cost calculations and to provide the following:

(b) Recipients' financial management systems shall provide for the following:

(1) Accurate, current and complete disclosure of the financial results of each federally-sponsored project or program in accordance with the reporting requirements set forth in § 84.52. If a recipient maintains its records on other than an accrual basis, the recipient shall not be required to establish an accrual accounting system. These recipients may develop such accrual data for their reports on the basis of an annual year of the documentation on hand.

(2) Records that identify adequately the source and application of funds for federally-sponsored activities. These records shall contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, outlays, income and interest.

(3) Effective control over and accountability for all funds, property and other assets. Recipients shall adequately safeguard all such assets and assure they are used solely for authorized purposes.

(4) Comparison of outlays with budget amounts for each award. Whenever appropriate, financial information should be related to performance and unit cost data.

(5) Written procedures to minimize the time elapsing between the transfer of funds to the recipient from the U.S. Treasury and the issuance or redemption of checks, warrants or payments by other means for program purposes by the recipient. To the extent that the provisions of the Cash Management Improvement Act (CMIA) (Pub. L. 101-135) system, payment methods or State agencies, instrumentalities, and local agents shall be consistent with CMIA, Treasury-State Agreements or the CMIA default procedures covered in 31 CFR part 201, "Withdrawal of Cash from the Treasury for Advances under Federal Grants and Other Programs."

(6) Written procedures for determining the reasonableness, allowability and allowability of costs in accordance with the provisions of the Uniform Federal Cost Principles (41 CFR parts 101 and 102) of the award.

(7) Accounting records including cost accounting records that are supported by source documentation.

(c) Where the Federal Government guarantees or insures the repayment of money borrowed by the recipient, HUD, at its discretion, may require adequate bonding and insurance if the bonding and insurance requirements of the recipient are not deemed adequate to protect the interest of the Federal Government.

(d) HUD may require adequate fidelity bond coverage where the recipient lacks sufficient coverage to protect the Federal Government's interest.

(e) Where bonds are required in the situations described above, the bonds shall be obtained from companies holding certificates of authority as acceptable sureties, as prescribed in 31 CFR part 203, "Surety Companies Doing Business with the United States."

§ 84.22 Payment.

(a) Payment methods shall minimize the time elapsing between the transfer of funds from the United States Treasury and the issuance or redemption of checks, warrants, or payment by other means by the recipients. Payment methods of State agencies or instrumentalities shall be consistent with Treasury State CMLA agreements or default procedures codified at 31 CFR part 206.

(b) Recipients are to be paid in advance, provided they maintain or demonstrate the willingness to maintain:

(1) Written procedures that minimize the time elapsing between the transfer of funds and disbursement by the recipient; and

(2) Financial management systems that meet the standards for fund control and accountability as established in § 84.21. Cash advances to a recipient organization shall be limited to the minimum amounts needed and be timed to be in accordance with the actual, immediate cash requirements of the recipient organization in carrying out the purpose of the approved program or project. The timing and amount of cash advances shall be as close as is administratively feasible to the actual disbursements by the recipient organization for direct program or project costs and the proportionate share of any allowable indirect costs.

(c) Whenever possible, advances shall be consolidated to cover anticipated

cash needs for all awards made by HUD to the recipient.

(1) Advance payment mechanisms include, but are not limited to, Treasury check and electronic funds transfer.

(2) Advance payment mechanisms are subject to 31 CFR part 205.

(3) Recipients shall be authorized to submit requests for advances and reimbursements at least monthly when electronic fund transfers are not used.

(d) Requests for Treasury check advance payment shall be submitted on SF-270, "Request for Advance or Reimbursement," or other forms as may be authorized by OMB. This form is not to be used when Treasury check advance payments are made to the recipient automatically through the use of a predetermined payment schedule or if precluded by special HUD instructions for electronic funds transfer.

(e) Reimbursement is the preferred method when the requirements in paragraph (b) of this section cannot be met. HUD may also use this method on any construction agreement, or if the major portion of the construction project is accomplished through private market financing or Federal loans, and the Federal assistance constitutes a minor portion of the project.

(1) When the reimbursement method is used, HUD shall make payment within 30 days after receipt of the billing, unless the billing is improper.

(2) Recipients shall be authorized to submit request for reimbursement at least monthly when electronic funds transfers are not used.

(3) If a recipient cannot meet the criteria for advance payments and HUD has determined that reimbursement is not feasible because the recipient lacks sufficient working capital, HUD may provide cash on a working capital advance basis. Under this procedure, HUD shall advance cash to the recipient to cover its estimated disbursement needs for an initial period generally geared to the awardee's disbursing cycle. Thereafter, HUD shall reimburse the recipient for its actual cash disbursements. The working capital advance method of payment shall not be used for recipients unwilling or unable to provide timely advances to their subrecipient to meet the subrecipient's actual cash disbursements.

(g) To the extent available, recipients shall disburse funds available from repayments to and interest earned on a revolving fund, program income, rebates, refunds, contract settlements, audit recoveries and interest earned on such funds before requesting additional cash payments.

(h) Unless otherwise required by statute, HUD shall not withhold payments for proper charges made by recipients at any time during the project period unless paragraphs (b)(1) or (b)(2) of this section apply.

(i) A recipient has failed to comply with the project objectives, the terms and conditions of the award or Federal reporting requirements.

(2) The recipient or subrecipient is delinquent in a debt to the United States as defined in OMB Circular A-129, Managing Federal Credit Programs. Under such conditions, HUD may, upon reasonable notice, inform the recipient that payments shall not be made for obligations incurred after a specified date until the conditions are corrected or the indebtedness to the Federal Government is liquidated.

(1) Standards governing the use of banks and other institutions as depositories of funds advanced under awards are as follows:

(1) Except for situations described in paragraph (1)(2) of this section, HUD shall not require separate depository accounts for funds provided to a recipient or establish any eligibility requirements for depositories for funds provided to a recipient. However, recipients must be able to account for the receipt, obligation and expenditure of funds.

(2) Advances of Federal funds shall be deposited and maintained in insured accounts whenever possible.

(3) Consistent with the national goal of expanding the opportunities for women-owned and minority-owned business enterprises, recipients shall be encouraged to use women-owned and minority-owned banks (a bank which is owned at least 50 percent by women or minority group members).

(4) Recipients shall maintain accounts of Federal funds in interest-bearing accounts, unless paragraphs (b)(1), (b)(2), or (b)(3) of this section apply.

(1) The recipient receives less than \$250,000 in Federal awards per year.

(2) The sum reasonably available in interest-bearing account would not be expected to earn interest in excess of \$250 per year on Federal cash balances.

(3) The depository would require an average or minimum balance so high that it would not be feasible within the expected Federal and non-Federal cash resources.

(4) For those entities where CMIA and its implementing regulations do not apply, interest earned on Federal advances deposited in interest-bearing accounts shall be remitted annually to Department of Health and Human Services, Payment Management System, P.O. Box 6021, Rockville, MD 20852, in keeping with Electronic Funds Transfer rules (31 CFR part 306). Interest should be remitted to the HHS Payment Management System through an electronic medium such as the FEDWIRE Deposit system. Recipients which do not have this capability should use a check. Interest amounts up to \$250 per year may be retained by the recipient for administrative expense. State universities and hospitals shall comply with CMIA, as it pertains to interest. If an entity subject to CMIA uses its own funds to pay pre-award costs for discretionary awards without prior written approval from the Federal awarding agency, it waives its right to recover the interest under CMIA.

(5) Except as noted above are in this rule, only the following forms shall be authorized for the recipients in requesting advances and reimbursements. Federal agencies shall not require more than an original and two copies of these forms.

(1) SF-270, Request for Advance or Reimbursement. HUD has adopted the SF-270 as a standard form for all non-construction programs when electronic funds transfer or predetermined advance methods are not used. It is the intention of HUD in using this form for construction programs in lieu of the SF-270, "Outlay Report and Request for Reimbursement for Construction Programs."

(2) SF-271, Outlay Report and Request for Reimbursement for Construction Programs. HUD has adopted the SF-271 as

the standard form to be used for requesting reimbursement for construction programs. However, HUD may substitute the SF-270 when HUD determines that it provides adequate information to meet Federal needs.

§ 84.23 Cost sharing or matching.

(a) All contributions, including cash and third party in kind, shall be accepted as part of the recipient's cost sharing or matching when such contributions meet all of the following criteria:

(1) Are verifiable from the recipient's records.

(2) Are not included as contributions for any other federally-assisted project or program.

(3) Are necessary and reasonable for proper and efficient accomplishment of project or program objectives.

(4) Are allowable under the applicable cost principles.

(5) Are not paid by the Federal Government under another award, except where authorized by Federal statute to be used for cost sharing or matching.

(6) Are provided for in the approved budget when required by HUD.

(7) Conform to other provisions of this part, as applicable.

(b) Unrecovered indirect costs may be included as part of cost sharing or matching only with the prior approval of HUD.

(c) Values for recipient contributions of services and property shall be established in accordance with the applicable cost principles. If HUD authorizes recipients to donate buildings or land for construction/facilities acquisition projects or long-term use, the value of the donated property for cost sharing or matching shall be the lesser of paragraphs (c)(1) or (c)(2) of this section.

(1) The certified value of the remaining life of the property recorded in the recipient's accounting records at the time of donation.

(2) The current fair market value. However, when there is sufficient justification, HUD may approve the use of the current fair market value of the donated property, even if it exceeds the certified value at the time of donation to the project.

(d) Volunteer services furnished by professional and technical personnel,

consultants, and other skilled and unskilled labor may be counted as cost sharing or matching if the service is an integral and necessary part of an approved project or program. Rates for volunteer services shall be consistent with those paid for similar work in the recipient's organization. In those instances in which the required skills are not found in the recipient organization, rates shall be consistent with those paid for similar work in the labor market in which the recipient competes for the kind of services involved. In either case, paid fringe benefits that are reasonable, allowable, and allocable may be included in the valuation.

(e) When an employer other than the recipient furnishes the services of an employee, these services shall be valued at the employee's regular rate of pay (plus an amount of fringe benefits that are reasonable, allowable, and allocable, but exclusive of overhead costs), provided these services are in the same skill for which the employee is normally paid.

(f) Donated supplies may include such items as expendable equipment, office supplies, laboratory supplies or workshop and classroom supplies. Value assessed to donated supplies included in the cost sharing or matching share shall be reasonable and shall not exceed the fair market value of the property at the time of the donation.

(g) The method used for determining cost sharing or matching for donated equipment, buildings and land for which title passes to the recipient may differ according to the purpose of the award, if paragraphs (g)(1) or (g)(2) of this section apply.

(1) If the purpose of the award is to assist the recipient in the acquisition of equipment, buildings or land, the total value of the donated property may be claimed as cost sharing or matching.

(2) If the purpose of the award is to support activities that require the use of equipment, buildings or land, normally only depreciation or use charges for equipment and buildings may be made. However, the full value of equipment or other capital assets and fair rental charges for land may be allowed, provided that HUD has approved the charges.

(h) The value of donated property shall be determined in accordance with the usual accounting policies of the recipient, with the following qualifications:

(1) The value of donated land and buildings shall not exceed its fair market value at the time of donation to the recipient as established by an independent appraiser (e.g., certified real property appraiser or General Services Administration representative) and certified by a responsible official of the recipient.

(2) The value of donated equipment shall not exceed the fair market value of equipment of the same age and condition at the time of donation.

(3) The value of donated space shall not exceed the fair rental value of comparable space as established by an independent appraisal of comparable space and facilities in a privately-owned building in the same locality.

(4) The value of loaned equipment shall not exceed its fair rental value.

(5) The following requirements pertain to the recipient's supporting records for in-kind contributions from third parties:

(i) Volunteer services shall be documented and, to the extent feasible, supported by the same methods used by the recipient for its own employees.

(ii) The basis for determining the valuation for personal service material, equipment, buildings and land shall be documented.

§ 84.24 Program income.

(a) HUD shall apply the standards set forth in this section in requiring recipient organizations to account for program income related to projects financed in whole or in part with Federal funds.

(b) Except as provided in paragraph (d) of this section, program income earned during the project period shall be retained by the recipient, and, in accordance with HUD regulations or the terms and conditions of the award, shall be used in one or more of the ways listed in the following:

(1) Awarded funds committed to the project by HUD and recipient and used to further eligible project or program activities;

(2) Used to finance the non-Federal share of the project or program;

(3) Deducted from the total project or program allowable cost in determining the net allowable costs on which the Federal share of costs is based;

(4) When HUD authorizes the disposition of program income as described in paragraphs (b)(1) or (b)(2) of this section, program income in excess of any limits stipulated shall be used in accordance with paragraph (b)(3) of this section.

(5) In the event that HUD does not specify in its regulations or the terms and conditions of the award how program income is to be used, paragraph (b)(3) of this section shall apply automatically to all projects or programs except research. For awards that support research, paragraph (b)(1) of this section shall apply automatically unless HUD indicates in the terms and conditions another alternative on the award or the recipient is subject to special award conditions, as indicated in § 81.14.

(6) Unless HUD regulations or the terms and conditions of the award provide otherwise, recipients shall have no obligation to the Federal Government regarding program income earned after the end of the project period.

(7) If authorized by HUD regulations or the terms and conditions of the award, costs incident to the generation of program income may be deducted from gross income to determine program income, provided these costs have not been charged to the award.

(8) Proceeds from the sale of property shall be handled in accordance with the requirements of the Property Standards (See §§ 81.30 through 81.37).

(9) Unless HUD regulations or the terms and conditions of the award provide otherwise, recipients shall have no obligation to the Federal Government with respect to program income earned from license fees and royalties for copyrighted material, patents, patent applications, trademarks, and inventions produced under an award. However, Patent and Trademark Act of 1980 (35 U.S.C. 18) apply to inventions made under an experimental or exploratory research award.

§84.25 Revision of budget and program plans.

(a) The budget plan is the financial expression of the project or program as approved during the award process. It may include either the Federal and non-Federal share, or only the Federal share, depending upon HUD requirements. It shall be related to performance for program evaluation purposes whenever appropriate.

(b) Recipients are required to report deviations from budget and program plans, and request prior approvals for budget and program plan revisions, in accordance with this section.

(c) For nonconstruction awards, recipients shall request prior approvals from HUD for one or more of the following program or budget related reasons.

(1) Change in the scope or the objective of the project or program (even if there is no associated budget revision requiring prior written approval).

(2) Change in a key person specified in the application or award document.

(3) The absence for more than three months, or a 25 percent reduction in time devoted to the project, by the approved project director or principal investigator.

(4) The need for additional Federal funding.

(5) The transfer of amounts budgeted for indirect costs to absorb increases in direct costs, or vice versa, if approval is required by HUD.

(6) The inclusion, unless waived by HUD, of costs that require prior approval in accordance with OMB Circular A-21, "Cost Principles for Institutions of Higher Education," OMB Circular A-122, "Cost Principles for Non-Profit Organizations," or 45 CFR part 74 Appendix E, "Principles for Determining Costs Applicable to Research and Development under Grants and Contracts with Hospitals," or 48 CFR part 31, "Contract Cost Principles and Procedures," as applicable.

(7) The transfer of funds allotted for training allowances (direct payment to trainees) to other categories of expense.

(8) Unless described in the application and funded in the approved award, the subaward, transfer or contracting out of any work under an

award. This provision does not apply to the purchase of supplies, material, equipment or general support services.

(d) No other prior approval requirements for specific items may be imposed unless a deviation has been approved by OMB.

(e) Except for requirements listed in paragraphs (c)(1) and (c)(4) of this section, HUD is authorized, at its option, to waive cost-related and administrative prior written approvals required by Circular A-110 and OMB Circulars A-21 and A-122. Such waivers may include authorizing recipients to do any one or more of the following:

(1) Incur pre award costs 90 calendar days prior to award or more than 90 calendar days with the prior approval of HUD. All pre-award costs are incurred at the recipient's risk (i.e., HUD is under no obligation to reimburse such costs if for any reason the recipient does not receive an award or if the award is less than anticipated and inadequate to cover such costs).

(2) Initiate a one time extension of the expiration date of the award of up to 12 months unless one or more of the following conditions apply. For one-time extensions, the recipient must notify HUD in writing with the supporting reasons and revised expiration date at least 10 days before the expiration date specified in the award. This one-time extension may not be exercised merely for the purpose of using unobligated balances.

(3) The terms and conditions of award prohibit the extension.

(4) The extension requires additional Federal funds.

(5) The extension involves any change in the approved objectives or scope of the project.

(6) Carry forward unobligated balances to subsequent funding periods.

(7) For awards that support research, unless HUD provides otherwise in HUD's regulations, the prior approval requirements described in paragraph (c) of this section are automatically waived (i.e., recipients need not obtain such prior approvals) unless one of the conditions included in paragraph (e)(1)-(6) of this section applies.

(8) HUD may, at its option, restrict the transfer of funds among direct cost categories or programs, functions and

(c) Within 30 calendar days from the date of receipt of the request for budget revisions, HUD shall review the request and notify the recipient whether the budget revisions were approved. If the revision is still under consideration at the end of 30 calendar days, HUD shall inform the recipient in writing of the date when the recipient may expect the decision.

684.26 Non-Federal audits.

(a) Recipients and subrecipients that are institutions of higher education or other non-profit organization (including hospitals) shall be subject to the audit requirements contained in the Single Audit Act Amendments of 1996 (31 U.S.C. 7501-7507) and revised OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

(1) Non-profit organizations subject to regulations in the part 299 and part 300 series of this title which receive awards subject to part 84 shall comply with the audit requirements of revised 48 CFR Circular 4-138, "Audits of States, Local Governments, and Non-Profit Organizations." For HUD programs, a non-profit organization is the project sponsor or owner as those terms are defined in the regulations in the part 299 and part 300 series and not a related or affiliated organization or entity.

2) [Reserved]

(b) State and local governments shall be subject to the usual requirements contained in the Single Audit Act Amendments of 1990 (31 U.S.C. 7501-7507) and revised OMB Circular A 135, "Audit of State, Local Governments and Non-Profit Organizations."

(c) For-profit hospitals not covered by the audit provisions of revised OMB Circular A-133 shall be subject to the audit requirements of the Federal awarding agencies.

3. Commercial organizations shall be subject to the audit requirements of 48 CFR 101-11.6 the prime recipient as INCORPORATED into the award conditions.

5. 77 P. 17011. See also 12, 1224, at Annotation at 477 S.W.2d 17011, 12 P. 1224.

41.27 Allowable costs.

425

§ 84.28

costs shall be determined in accordance with the cost principles applicable to the entity incurring the costs. Thus, allowability of costs incurred by State, local or federally-recognized Indian tribal governments is determined in accordance with the provisions of OMB Circular A-87, "Cost Principles for State and Local Governments." The allowability of costs incurred by non-profit organizations is determined in accordance with the provisions of OMB Circular A-122, "Cost Principles for Non-Profit Organizations." The allowability of costs incurred by institutions of higher education is determined in accordance with the provisions of OMB Circular A-21, "Cost Principles for Educational Institutions." The allowability of costs incurred by hospitals is determined in accordance with the provisions of Appendix E of 45 CFR part 74, "Principles for Determining Costs Applicable to Research and Development Under Grants and Contracts with Hospitals." The allowability of costs incurred by commercial organizations and those non-profit organizations listed in Attachment C to Circular A-122 is determined in accordance with the provisions of the Federal Acquisition Regulation (FAR) at 48 CFR part 31.

§ 84.28 Period of availability of funds.

Where a funding period is specified, a recipient may charge to the grant only allowable costs resulting from obligations incurred during the funding period and any pre award costs authorized by HUD.

PROPERTY STANDARDS**§ 84.30 Purpose of property standards.**

Sections 84.31 through 84.37 set forth uniform standards governing management and disposition of property furnished by the Federal Government whose cost was charged to a project supported by a Federal award. HUD shall require recipients to observe these standards under awards and shall not impose additional requirements, unless specifically required by Federal statute. The recipient may use its own property management standards and procedures provided it observes the provisions of §§ 84.31 through 84.37.

§ 84.31 Insurance coverage.

Recipients shall, at a minimum, provide the equivalent insurance coverage for real property and equipment acquired with Federal funds as provided to property owned by the recipient. Federally-owned property need not be insured unless required by the terms and conditions of the award.

§ 84.32 Real property.

HUD prescribes the following requirements for recipients concerning the use and disposition of real property acquired in whole or in part under awards:

(a) Title to real property shall vest in the recipient subject to the condition that the recipient shall use the real property for the authorized purpose of the project as long as it is needed and shall not encumber the property without approval of HUD.

(b) The recipient shall obtain written approval by HUD for the use of real property in other federally-sponsored projects when the recipient determines that the property is no longer needed for the purpose of the original project. Use in other projects shall be limited to those under Federally-sponsored projects (i.e., awards) or programs that have purposes consistent with those authorized for support by HUD.

(c) When the real property is no longer needed as provided in paragraphs (a) and (b) of this section, the recipient shall request disposition instructions from HUD or its successor Federal awarding agency. HUD shall observe one or more of the following disposition instructions.

(1) The recipient may be permitted to retain title without further obligation to the Federal Government after it compensates the Federal Government for that percentage of the current fair market value of the property attributable to the Federal participation in the project.

(2) The recipient may be directed to sell the property under guidelines provided by HUD and pay the Federal Government for that percentage of the current fair market value of the property attributable to the Federal participation in the project (after deducting actual and reasonable selling and fix-up

expenses, if any, from the sales proceeds. When the recipient is authorized or required to sell the property, proper sales procedures shall be established that provide for competition to the extent practicable and result in the highest possible return.

(3) The recipient may be directed to transfer title to the property to the Federal Government or to an eligible third party provided that, in such cases, the recipient shall be entitled to compensation for its attributable percentage of the current fair market value of the property.

§ 84.33 Federally-owned and exempt property.

(a) *Federally-owned property.* (1) Title to federally-owned property remains vested in the Federal Government. Recipients shall submit annually an inventory listing of federally-owned property in their custody to HUD. Upon completion of the award or when the property is no longer needed, the recipient shall report the property to HUD for further HUD utilization.

(2) If HUD has no further need for the property, it shall be declared excess and reported to the General Services Administration unless HUD has statutory authority to dispose of the property by alternative methods (e.g., the authority provided by the Federal Technology Transfer Act (15 U.S.C. 3610) to donate research equipment to educational and nonprofit agencies, acts in accordance with E.O. 12821, "Improving Mathematics and Science Education in Support of the National Education Goals"). Appropriate instructions shall be issued to the recipient by HUD.

(3) *Exempt property.* When statutory authority exists, HUD has the option to vest title to property acquired with Federal funds in the recipient without further cession to the Federal Government and under conditions HUD considers appropriate. Such property is "exempt property." Should HUD not establish conditions title to exempt property upon acquisition shall vest in the recipient without further obligation to the Federal Government.

§ 84.34 Equipment.

(a) Title to equipment acquired by a recipient with Federal funds shall vest in the recipient subject to conditions of this section.

(b) The recipient shall not use equipment acquired with Federal funds to provide services to non-Federal outside organizations for a fee that is less than private companies charge for equivalent services, unless specifically authorized by Federal statute, for as long as the Federal Government retains an interest in the equipment.

(c) The recipient shall use the equipment in the project or program for which it was acquired as long as needed, whether or not the project or program continues to be supported by Federal funds and shall not encumber the equipment without approval of HUD. When the equipment is no longer needed for the original project or program, the recipient shall use the equipment in connection with its other federally-sponsored activities in the following order of priority:

(1) Activities sponsored by HUD which funded the original project; then

(2) Activities sponsored by other Federal awarding agencies.

(3) During the time that equipment is used on the project or program for which it was acquired, the recipient shall make it available for use on other projects or programs if such other use will not interfere with the work on the project or program for which the equipment was originally acquired. First preference for such other use shall be given to other projects or programs sponsored by HUD that have used the equipment; second preference shall be given to projects or programs sponsored by other Federal awarding agencies if the equipment is owned by the Federal Government, use on other activities not sponsored by the Federal Government shall be permitted if authorized by HUD. Use of property shall be treated as program income.

(4) When acquiring costly equipment, the recipient may use the equipment to be replaced as trade-in or sell the equipment, and use the proceeds to offset the cost of the replacement equipment, subject to the approval of HUD.

(e) The recipient's property management standards for equipment acquired with Federal funds and federally-owned equipment shall include all of the following:

(1) Equipment records shall be maintained accurately and shall include the following information:

- (i) A description of the equipment.
- (ii) Manufacturer's serial number, model number, Federal stock number, national stock number, or other identification number.
- (iii) Source of the equipment, including the award number.
- (iv) Whether title vests in the recipient or the Federal Government.
- (v) Acquisition date (or date received, if the equipment was furnished by the Federal Government) and cost.
- (vi) Information from which one can calculate the percentage of Federal participation in the cost of the equipment (not applicable to equipment furnished by the Federal Government).
- (vii) Location and condition of the equipment and the date the information was reported.
- (viii) Unit acquisition cost.
- (ix) Ultimate disposition data, including date of disposal and sales price or the method used to determine current fair market value where a recipient compensates HUD for its share.

(2) Equipment owned by the Federal Government shall be identified to indicate Federal ownership.

(3) A physical inventory of equipment shall be taken and the results reconciled with the equipment records at least once every two years. Any differences between quantities determined by the physical inspection and those shown in the accounting records shall be investigated to determine the causes of the difference. The recipient shall, in connection with the inventory, verify the existence, current utilization, and continued need for the equipment.

(4) A control system shall be in effect to insure adequate safeguards to prevent loss, damage, or theft of the equipment. Any loss, damage, or theft of equipment shall be investigated and fully documented; if the equipment was owned by the Federal Government, the recipient shall promptly notify HUD.

(5) Adequate maintenance procedures shall be implemented to keep the equipment in good condition.

(6) Where the recipient is authorized or required to sell the equipment, proper sales procedures shall be established which provide for competition to the extent practicable and result in the highest possible return.

(g) When the recipient no longer needs the equipment, the equipment may be used for other activities in accordance with the following standards. For equipment with a current per unit fair market value of \$5000 or more, the recipient may retain the equipment for other uses provided that compensation is made to HUD or its successor. The amount of compensation shall be computed by applying the percentage of Federal participation in the cost of the original project or program to the current fair market value of the equipment. If the recipient has no need for the equipment, the recipient shall request disposition instructions from HUD. HUD shall determine whether the equipment can be used to meet HUD's requirements. If no requirement exists within HUD, the availability of the equipment shall be reported to the General Services Administration by HUD to determine whether a requirement for the equipment exists in other Federal agencies. HUD shall issue instructions to the recipient no later than 120 calendar days after the recipient's request and the following procedures shall govern.

(1) If so instructed or if disposition instructions are not issued within 120 calendar days after the recipient's request, the recipient shall sell the equipment and reimburse HUD an amount computed by applying to the sales proceeds the percentage of Federal participation in the cost of the original project or program. However, the recipient shall be permitted to deduct and retain from the Federal share \$500 or ten percent of the proceeds, whichever is less, for the recipient's selling and handling expenses.

(2) If the recipient is instructed to ship the equipment elsewhere, the recipient shall be reimbursed by the Federal Government by an amount which is computed by applying the percentage of the recipient's participation in

the cost of the original project or program to the current fair market value of the equipment, plus any reasonable shipping, or interim storage costs incurred.

(3) If the recipient is instructed to otherwise dispose of the equipment, the recipient shall be reimbursed by HUD for such costs incurred in its disposition.

(4) HUD may reserve the right to transfer the title to the Federal Government or to a third party named by the Federal Government when such third party is otherwise eligible under existing statutes. Such transfer shall be subject to the following standards:

(i) The equipment shall be appropriately identified in the award or otherwise made known to the recipient in writing.

(ii) HUD shall issue disposition instructions within 120 calendar days after receipt of a final inventory. The final inventory shall list all equipment acquired with grant funds and federally-owned equipment. If HUD fails to issue disposition instructions within the 120 calendar day period, the recipient shall apply the standards of this section, as appropriate.

(iii) When HUD exercises its right to take title the equipment shall be subject to the provisions for federally-owned equipment.

§ 84.35 Supplies and other expendable property.

(a) Title to supplies and other expendable property shall vest in the recipient upon acquisition. If there is a residual inventory of unused supplies exceeding \$5000 in total aggregate value upon termination or completion of the project or program and the supplies are not needed for any other federally-sponsored project or program, the recipient shall retain the supplies for use on non-Federal sponsored activities or sell them and shall in either case, compensate the Federal Government for its share. The amount of compensation shall be computed at the same manner as the purchase price.

(b) The recipient shall not use supplies acquired with Federal funds to provide services to non-Federal outside organizations for a fee that is less than the rate charges for similar

services, unless specifically authorized by Federal statute, as long as the Federal Government retains an interest in the supplies.

§ 84.36 Intangible property.

(a) The recipient may copyright any work that is subject to copyright and was developed, or for which ownership was purchased, under an award. HUD reserves a royalty-free, nonexclusive and irrevocable right to reproduce, publish, or otherwise use the work for Federal purposes, and to authorize others to do so.

(b) Recipients are subject to applicable regulations governing patents and inventions, including government-wide regulations issued by the Department of Commerce at 37 CFR part 401, "Rights to Inventions Made by Non-profit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements."

(c) HUD has the right to:

(1) Obtain, reproduce, publish or otherwise use the data first produced under an award; and

(2) Authorize others to receive, reproduce, publish, or otherwise use such data for HUD purposes.

(d)(i) In addition, in response to a Freedom of Information Act (FOIA) request for research data relating to published research findings produced under an award that were used by HUD in developing an agency action that has the force and effect of law, HUD shall request, and the recipient shall provide, within a reasonable time, the research data so that they can be made available to the public through the procedures established under the FOIA. If HUD obtains the research data solely in response to a FOIA request, HUD may charge the requester a reasonable fee equaling the full incremental costs of obtaining the research data. This fee should reflect costs incurred by HUD, the recipient and applicable sub-recipients. This fee is in addition to any fees that may assess under the FOIA as provided in 5 U.S.C. 552(a)(4).

(ii) The following definitions apply to each part of this paragraph (d):

(A) Research data is defined as the recorded factual material submitted or generated by a person or community as

§ 84.37

necessary to validate research findings, but not any of the following: preliminary analyses, drafts of scientific papers, plans for future research, peer reviews, or communications with colleagues. This "recorded" material excludes physical objects (e.g., laboratory samples). *Research data* also do not include:

(A) Trade secrets, commercial information, materials necessary to be held confidential by a researcher until they are published, or similar information which is protected under law; and

(B) Personnel and medical information and similar information the disclosure of which would constitute a clearly unwarranted invasion of personal privacy, such as information that could be used to identify a particular person in a research study.

(i) *Published* is defined as either when:

(A) Research findings are published in a peer-reviewed scientific or technical journal; or

(B) HUD publicly and officially cites the research findings in support of an agency action that has the force and effect of law.

(ii) *Used by HUD in developing an agency action that has the force and effect of law* is defined as when HUD publicly and officially cites the research findings in support of an agency action that has the force and effect of law.

(c) Title to intangible property and debt instruments acquired under an award or subaward vests upon acquisition in the recipient. The recipient shall use that property for the originally authorized purpose, and the recipient shall not encumber the property without approval of HUD. When no longer needed for the originally authorized purpose, disposition of the intangible property shall occur in accordance with the provisions of § 84.34(g).

(29 FR 47611, Sept. 13, 1994, as amended at 65 FR 30499, May 12, 2000)

§ 84.37 Property trust relationship.

Real property, equipment, intangible property and debt instruments that are acquired or improved with Federal funds shall be held in trust by the recipient as trustee for the beneficiaries of the project or program under which the property was acquired or improved.

24 CFR Subtitle A (4-1-03 Edition)

HUD may require recipients to record liens or other appropriate notices of record to indicate that personal or real property has been acquired or improved with Federal funds and that use and disposition conditions apply to the property.

PROCUREMENT STANDARDS

§ 84.40 Purpose of procurement standards.

Sections 84.41 through 84.43 set forth standards for use by recipients in establishing procedures for the procurement of supplies and other expendable property, equipment, real property and other services with Federal funds. These standards are furnished to ensure that such materials and services are obtained in an effective manner and in compliance with the provisions of applicable Federal statutes and executive orders. No additional procurement standards or requirements shall be imposed by HUD upon recipients, unless specifically required by Federal statute or executive order or approved by OMB.

§ 84.41 Recipient responsibilities.

The standards contained in this section do not relieve the recipient of the contractual responsibilities arising under its contract(s). The recipient is the responsible authority, without recourse to HUD, regarding the settlement and satisfaction of all contractual and administrative issues arising out of procurements entered into in support of an award or other agreement. This includes disputes, claims, protests of award, source evaluation or other matters of a contractual nature. Matters concerning violation of statute are to be referred to such Federal, State or local authority as may have proper jurisdiction.

§ 84.42 Codes of conduct.

The recipient shall maintain written standards of conduct governing the performance of its employees engaged in the award and administration of contracts. No employee, officer, or agent shall participate in the selection, award, or administration of a contract supported by Federal funds if a real or apparent conflict of interest would be

involved. Such a conflict would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award. The officers, employees, and agents of the recipient shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, or parties to subagreements. However, recipients may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct shall provide for disciplinary actions to be applied for violations of such standards by officers, employees or agents of the recipient.

§84.43 Competition.

All procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition. The recipient shall be alert to organizational conflicts of interest as well as noncompetitive practices among contractors that may result, or eliminate competition or otherwise restrict trade. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, invitations for bids and/or requests for proposals shall be excluded from competing for such procurements. Awards shall be made to the bidder or offeror whose bid or offer is responsive to the solicitation and is most advantageous to the recipient, price, quality and other factors considered. The other factors shall include the ability or intent to comply with Section 3 of the Housing and Urban Development Act of 1965 (12 U.S.C. 1701a, hereinafter referred to as "Section 3"). Section 3 provides that to the greatest extent feasible, and consistent with existing Federal, State, and local laws, and regulations, economic opportunities generated by Federal activities and assistance shall be accorded to low and very low-income persons. Solicitations shall clearly set forth all requirements that the bidder

or offeror shall fulfill in order for the bid or offer to be evaluated by the recipient. Any and all bids or offers may be rejected when it is in the recipient's interest to do so.

§84.44 Procurement procedures.

(a) All recipients shall establish written procurement procedures. These procedures shall provide for, at a minimum, that paragraphs (a)(1), (a)(2) and (a)(3) of this section apply.

(1) Recipients avoid purchasing unnecessary items.

(2) Where appropriate, an analysis is made of lease and purchase alternatives to determine which would be the most economical and practical procurement for the Federal Government.

(3) Solicitations for goods and services provide for all of the following:

(i) A clear and accurate description of the technical requirements for the material, product or service to be procured. In competitive procurements, such a description shall not contain features which unduly restrict competition.

(ii) Requirements which the bidder, vendor must fulfill and all other factors to be used in evaluating bids or proposals.

(iii) A description, whenever practicable, of technical requirements in terms of functions to be performed or performance required, including the range of acceptable characteristics or minimum acceptable standards.

(iv) The specific features or minimum or equal descriptions that bidder are required to meet when such items are included in the solicitation.

(v) The acceptance, to the extent practicable and economically feasible, of products and services procured in the metric system of measurement.

(vi) Preference, to the extent practicable and economically feasible, for products and services that conserve natural resources and protect the environment and are energy efficient.

(vii) Positive efforts shall be made by recipients to utilize small businesses, minority-owned firms, and women's business enterprises, whenever possible. Recipients of Federal awards shall teach all of the following steps to contractors:

§84.45

(1) Ensure that small businesses, minority-owned firms, and women's business enterprises are used to the fullest extent practicable.

(2) Make information on forthcoming opportunities available and arrange time frames for purchases and contracts to encourage and facilitate participation by small businesses, minority-owned firms, and women's business enterprises.

(3) Consider in the contract process whether firms competing for larger contracts intend to subcontract with small businesses, minority-owned firms, and women's business enterprises.

(4) Encourage contracting with consortiums of small businesses, minority-owned firms and women's business enterprises when a contract is too large for one of these firms to handle individually.

(b) Use the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Department of Commerce's Minority Business Development Agency in the solicitation and utilization of small businesses, minority-owned firms and women's business enterprises.

(c) The type of procuring instruments used (e.g., fixed price contracts, cost reimbursable contracts, purchase orders, and incentive contracts) shall be determined by the recipient but shall be appropriate for the particular procurement and for promoting the best interest of the program or project involved. The "cost-plus-a-percentage-of-cost" or "percentage of construction cost" methods of contracting shall not be used.

(d) Contracts shall be made only with responsible contractors who possess the potential ability to perform successfully under the terms and conditions of the proposed procurement. Consideration shall be given to such matters as contractor integrity, compliance with public policy, including, where applicable, Section 3 of the Housing and Urban Development Act of 1958 (42 U.S.C. 1701u); record of past performance; financial and technical resources or accessibility to other necessary resources. In certain circumstances, contracts with certain parties are restricted by implementa-

24 CFR Subfile A (4-1-03 Edition)

tion of E.O.s 12549 and 13689, "Debarment and Suspension," at 24 CFR part 24.

(e) Recipients shall, on request, make available for the Federal awarding agency, pre-award review and procurement documents, such as requests for proposals or invitations for bids, independent cost estimates, etc., when any of the following conditions apply:

(1) A recipient's procurement procedures or operation fails to comply with the procurement standards in HUD's implementation of Circular A-119.

(2) The procurement is expected to exceed \$100,000 or the small purchase threshold fixed at 41 U.S.C. 403 (11), whichever is greater, and is to be awarded without competition or only one bid or offer is received in response to a solicitation.

(3) The procurement, which is expected to exceed the small purchase threshold, specifies a "brand name" product.

(4) The proposed award over the small purchase threshold is to be awarded to other than the apparent low bidder under a sealed bid procurement.

(5) A proposed contract modification changes the scope of a contract or increases the contract amount by more than the amount of the small purchase threshold.

§84.45 Cost and price analysis.

Some form of cost or price analysis shall be made and documented in the procurement files in connection with every procurement action. Price analysis may be accomplished in various ways, including the comparison of price quotations submitted, market prices and similar indicia, together with discounts. Cost analysis is the review and evaluation of each element of cost to determine reasonableness, allocability and allowability.

§84.46 Procurement records.

Procurement records and files for purchases in excess of the small purchase threshold shall include the following as a minimum:

(a) Basis for contractor selection.

(b) Justification for lack of competition when competitive bids or offers are not obtained, and

(c) Basis for award cost or price

§ 84.47 Contract administration.

A system for contract administration shall be maintained to ensure contractor conformance with the terms, conditions and specifications of the contract and to ensure adequate and timely follow up of all purchases. Recipients shall evaluate contractor performance and document, as appropriate, whether contractors have met the terms, conditions and specifications of the contract.

§ 84.48 Contract provisions.

The recipient shall include, in addition to provisions to define a sound and complete agreement, the following provisions in all contracts. The following provisions shall also be applied to subcontracts.

(a) Contracts in excess of the small purchase threshold shall contain contractual provisions or conditions that allow for administrative, contractual, or legal remedies in instances in which a contractor violates or breaches the contract terms, and provide for such remedial actions as may be appropriate.

(b) All contracts in excess of the small purchase threshold shall contain punitive provisions for termination by the recipient, including the manner by which termination shall be effected and the basis for settlement. In addition, such contracts shall describe the conditions under which the contract may be terminated for default as well as conditions where the contract may be terminated because of circumstances beyond the control of the contractor.

(c) Except as otherwise required by statute, an award that requires the contractor (or subcontractor) for construction or facility improvements shall provide for the recipient to follow its own requirements relating to bid guarantees, performance bonds, and payment bonds unless the construction contract (or subcontract) exceeds \$100,000. For those contracts in excess of \$100,000, HUD may accept the bonding policy and requirements of the recipient, provided HUD has made a determination that the Federal Government's interest is adequately protected. If such a determina-

tion has not been made, the minimum requirements shall be as follows.

(1) A bid guarantee from each bidder equivalent to five percent of the bid price. The "bid guarantee" shall consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder shall, upon acceptance of his bid, execute such contractual documents as may be required within the time specified.

(2) A performance bond on the part of the contractor for 100 percent of the contract price. A "performance bond" is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.

(3) A payment bond on the part of the contractor for 100 percent of the contract price. A "payment bond" is one executed in connection with a contract to assure payment as required by statute of all persons supplying labor and material in the execution of the work provided for in the contract.

(d) Where bonds are required in the situations described herein, the bonds shall be obtained from companies holding certificates of authority as acceptable sureties pursuant to 31 CFR part 221, "Surety Companies Doing Business with the United States."

(e) All negotiated contracts (except those for less than the small purchase threshold) awarded by recipients shall include a provision to the effect that the recipient, HUD, the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers and records of the contractor which are directly pertinent to a specific program for the purpose of making audits, examinations, extracts and transcriptions.

(f) All contracts, including small purchases awarded by recipients and their contractors shall contain the procurement provisions of Appendix A to this rule, as applicable.

REPORTS AND RECORDS**§ 84.50 Purpose of reports and records.**

Sections 84.51 through 84.53 set forth the procedures for monitoring and reporting on the recipient's financial per-

§84.51

program performance and the necessary standard reporting forms. They also set forth record retention requirements.

§84.51 Monitoring and reporting program performance.

(a) Recipients are responsible for managing and monitoring each project, program, subaward, function or activity supported by the award. Recipients shall monitor subawards to ensure sub-recipients have met the audit requirements as delineated in §84.36.

(b) HUD shall prescribe the frequency with which the performance reports shall be submitted. Except as provided in §84.51(f), performance reports shall not be required more frequently than quarterly or less frequently than annually. Annual reports shall be due 90 calendar days after the grant year; quarterly or semi-annual reports shall be due 30 days after the reporting period. HUD may require annual reports before the anniversary dates of multiple year awards in lieu of these requirements. The final performance reports are due 90 calendar days after the expiration or termination of the award.

(c) If inappropriate, a final technical or performance report shall not be required after completion of the project.

(d) When required, performance reports shall generally contain, for each award, brief information on each of the following:

(1) A comparison of actual accomplishments with the goals and objectives established for the period, the findings of the investigator, or both. Whenever appropriate and the output of programs or projects can be readily quantified, such quantitative data should be related to cost data for computation of unit costs.

(2) Reasons why established goals were not met, if appropriate.

(3) Other pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.

(e) Recipients shall not be required to submit more than the original and two copies of performance reports.

(f) Recipients shall immediately notify HUD of developments that have a significant impact on the award-supported activities. Also, notification

24 CFR Subtitle A (4-1-03 Edition)

shall be given in the case of problems, delays, or adverse conditions which materially impair the ability to meet the objectives of the award. This notification shall include a statement of the action taken or contemplated, and any assistance needed to resolve the situation.

(g) HUD may make site visits, as needed.

(h) HUD shall comply with clearance requirements of 48 CFR part 1326 when requesting performance data from recipients.

§84.52 Financial reporting.

(a) The following forms or such other forms as may be approved by OMB are authorized for obtaining financial information from recipients.

(1) SF-269 or SF-269A, Financial Status Report.

(i) HUD requires recipients to use the SF-269 or SF-269A to report the status of funds for all nonconstruction projects or programs. HUD has the option of not requiring the SF-269 or SF-269A when the SF-270, Request for Advance or Reimbursement, or SF-272, Report of Federal Cash Transactions, is determined to provide adequate information to meet its needs, except that a final SF-269 or SF-269A shall be required at the completion of the project when the SF-270 is used only for advances.

(ii) HUD shall prescribe whether the report shall be on a cash or accrual basis. If HUD requires accrual information and the recipient's accounting records are not normally kept on the accrual basis, the recipient shall not be required to convert its accounting system, but shall develop such accrual information through best estimates based on an analysis of the documentation on hand.

(iii) HUD shall determine the frequency of the Financial Status Report for each project or program, considering the size and complexity of the particular project or program. However, the report shall not be required more frequently than quarterly or less frequently than annually. A final report shall be required at the completion of the agreement.

(iv) HUD requires recipients to submit the SF-269 or SF-269A (an original

Office of the Secretary, HUD

§84.53

and no more than two copies) no later than 30 days after the end of each specified reporting period for quarterly and semi-annual reports, and 90 calendar days for annual and final reports. Extensions of reporting due dates may be approved by HUD upon request of the recipient.

(2) SF-272, Report of Federal Cash Transactions.

(i) When funds are advanced to recipients HUD shall require each recipient to submit the SF-272 and, when necessary, its continuation sheet, SF-272a. HUD shall use this report to monitor cash advanced to recipients and to obtain disbursement information for each agreement with the recipients.

(ii) HUD may require forecasts of Federal cash requirements in the "Remarks" section of the report.

(iii) When practical and deemed necessary, HUD may require recipients to report in the "Remarks" section the amount of cash advances received and returned in excess of three days. Recipients shall provide short narrative explanations of actions taken to reduce the excess balances.

(iv) Recipients shall be required to submit not more than the original and two copies of the SF-272 15 calendar days following the end of each quarter. HUD may require a monthly report from those recipients receiving advances totaling \$1 million or more per year.

(v) HUD may waive the requirement for submission of the SF-272 for any one of the following reasons:

A. When monthly advances do not exceed \$5,000 per recipient, provided that such advances are monitored through other forms contained in this section.

B. If, in HUD's opinion, the recipient's accounting controls are adequate to minimize excessive Federal advances or.

C. When the electronic payment mechanisms provide adequate data.

(vi) When HUD needs additional information or more frequent reports, the following shall be observed:

1. When additional information is needed to comply with legislative requirements, HUD shall issue a request for information, which shall be submitted

with information under the "Remarks" section of the reports.

(2) When HUD determines that a recipient's accounting system does not meet the standards in §84.52, additional pertinent information to further monitor awards may be obtained upon written notice to the recipient until such time as the system is brought up to standard. HUD, in obtaining this information, shall comply with report clearance requirements of 5 CFR part 1326.

(3) HUD will shade out any line item on any report if not necessary.

(4) HUD may accept the identical information from the recipients in machine readable format or computer printouts or electronic outputs or any of prescribed formats.

(5) HUD may provide computer or electronic outputs to recipients when such expedites or contributes to the accuracy of reporting.

§84.53 Retention and access requirements for records.

(a) This section sets forth requirements for record retention and access to records for awards to recipients. HUD shall not impose any other record retention or access requirements upon recipients.

(b) Financial records, supporting documents, statistical records, and all other records pertinent to an award shall be retained for a period of three years from the date of submission of the final expenditure report or for awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual renewal report as authorized by HUD. The only exceptions are the following:

1. Any litigation, claim, or audit is started before the expiration of the 3 year period, the records shall be retained until such litigation, claim, or audit is resolved and final action taken.

2. Records for real property and equipment awarded with Federal funds shall be retained for 3 years after final disposition.

3. When records are maintained in a manner and to fulfill the requirements of a law, regulation or contract, the requirements of this section shall not apply to those records.

§84.60

24 CFR Subtitle A (4-1-03 Edition)

(4) Indirect cost rate proposals, cost allocation plans, etc. as specified in §84.53(k).

(c) Copies of original records may be substituted for the original records if authorized by HUD.

(d) HUD shall request transfer of certain records to its custody from recipients when it determines that the records possess long term retention value. However, in order to avoid duplicate recordkeeping, HUD may make arrangements for recipients to retain any records that are continuously needed for present use.

(e) HUD, the Inspector General, Comptroller General of the United States, or any of their duly authorized representatives, have the right of timely and unrestricted access to any books, documents, papers, or other records of recipients that are pertinent to the awards, in order to make audits, examinations, excerpts, transcripts and copies of such documents. This right also includes timely and reasonable access to a recipient's personnel for the purpose of interview and discussion related to such documents. The rights of access in this paragraph (e) are not limited to the required retention period, but shall last as long as records are retained.

(f) Unless required by statute, HUD shall not place restrictions on recipients that limit public access to the records of recipients that are pertinent to an award, except when HUD can demonstrate that such records shall be kept confidential and would have been exempted from disclosure pursuant to the Freedom of Information Act (5 U.S.C. 552) if the records had belonged to HUD.

(g) Indirect cost rate proposals, cost allocation plans, etc. Paragraphs (g)(1) and (g)(2) of this section apply to the following types of documents, and their supporting records—indirect cost rate computations or proposals, cost allocation plans, and any similar accounting computations of the rate at which a particular group of costs is chargeable (such as computer usage chargeback rates or cumulative fringe benefit rates).

(1) If submitted for negotiation. If the recipient submits to HUD or the subrecipient submits to the recipient the

proposal, plan, or other computation to form the basis for negotiation of the rate, then the 3-year retention period for its supporting records starts on the date of such submission.

(2) If not submitted for negotiation. If the recipient is not required to submit to HUD or the subrecipient is not required to submit to the recipient the proposal, plan, or other computation for negotiation purposes, then the 3-year retention period for the proposal, plan, or other computation and its supporting records starts at the end of the fiscal year (or other accounting period) covered by the proposal, plan, or other computation.

TERMINATION AND ENFORCEMENT

§84.60 Purpose of termination and enforcement.

Sections 84.61 and 84.62 set forth uniform suspension, termination and enforcement procedures.

§84.61 Termination.

(a) Awards may be terminated in whole or in part only if paragraphs (a)(1), (a)(2) or (a)(3) of this section apply.

(1) By HUD, if a recipient materially fails to comply with the terms and conditions of an award.

(2) By HUD with the consent of the recipient, in which case the two parties shall agree upon the termination conditions, including the effective date and, in the case of partial termination, the portion to be terminated.

(3) By the recipient upon sending to HUD written notification setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if HUD determines in the case of partial termination that the reduced or modified portion of the grant will not accomplish the purposes for which the grant was made, it may terminate the grant in its entirety under either paragraph (a)(1) or (a)(2) of this section.

(b) If costs are allowed under an award, the responsibilities of the recipient referred to in §84.71(a), including those for property management as applicable, shall be considered in the

termination of the award, and provision shall be made for continuing responsibilities of the recipient after termination, as appropriate.

§ 84.62 Enforcement.

(a) *Remedies for noncompliance.* If a recipient materially fails to comply with the terms and conditions of an award, whether stated in a Federal statute, regulation, assurance, application, or notice of award, HUD may, in addition to imposing any of the special conditions outlined in § 84.13, take one or more of the following actions, as appropriate in the circumstances:

(1) Temporarily withhold cash payments pending correction of the deficiency by the recipient or more severe administrative action by HUD.

(2) Disallow (that is, deny both use of funds and any applicable matching credit for all or part of the cost of the activity or action not in compliance).

(3) Wholly or partly suspend or terminate the current award.

(4) Withhold further awards for the project or program.

(5) Take other remedies that may be legally available.

(b) *Hearings and appeals.* In taking an enforcement action, HUD shall provide the recipient an opportunity for hearing, appeal, or other administrative proceeding to which the recipient is entitled under any statute or regulation applicable to the action involved.

(c) *Effects of suspension and termination.* Costs of a recipient resulting from obligations incurred by the recipient during a suspension or after termination of an award are not allowable unless HUD expressly authorizes them in the notice of suspension or termination or subsequently. Other recipient costs during suspension or after termination which are necessary and not reasonably avoidable are allowable if paragraphs (d)(1) and (d)(2) of this section apply.

(1) The costs result from obligations which were properly incurred by the recipient before the effective date of suspension or termination, are not in anticipation of it, and in the case of a termination, are noncancelable.

(2) The costs would be allowable if the award were not suspended or expired already as the result of the

long period in which the termination takes effect.

(d) *Relationship to debarment and suspension.* The enforcement remedies identified in this section, including suspension and termination, do not preclude a recipient from being subject to debarment and suspension under E.O.s 12549 and 12569 and HUD's implementing regulations at 24 CFR part 76 (see § 84.13).

Subpart D—After-the-Award Requirements

§ 84.70 Purpose.

Sections 84.71 through 84.73 contain closeout procedures and other procedures for subsequent disallowances and adjustments.

§ 84.71 Closeout procedures.

(a) Recipients shall submit, within 90 calendar days after the date of completion of the award, all financial, performance and other reports as required by the terms and conditions of the award. HUD may approve extensions when requested by the recipient.

(b) Unless HUD authorizes an extension, a recipient shall liquidate all obligations incurred under the award not later than 90 calendar days after the funding period or the date of completion as specified in the terms and conditions of the award or in HUD instructions.

(c) HUD shall make prompt payments to a recipient for allowable reimbursable costs under the award being closed out.

(d) The recipient shall promptly refund any balances of unobligated cash that HUD has advanced or loaned that is not authorized to be retained by the recipient for use in other projects. OMB Circular A-129 governs unreturned amounts that become delinquent debts.

(e) When authorized by the terms and conditions of the award, HUD shall make a full offset for any upward or downward adjustments to the Federal share of costs after closeout reports are received.

(f) The recipient shall account for any real and personal property acquired with Federal funds or received from the Federal Government in accordance with § 84.61 (the closeout).

§84.72

(g) In the event a final audit has not been performed prior to the closeout of an award, HUD shall retain the right to recover an appropriate amount after fully considering the recommendations on disallowed costs resulting from the final audit.

§84.72 Subsequent adjustments and continuing responsibilities.

(a) The closeout of an award does not affect any of the following:

- (1) The right of HUD to disallow costs and recover funds on the basis of a later audit or other review.
- (2) The obligation of the recipient to return any funds due as a result of later refunds, corrections, or other transactions.
- (3) Audit requirements in §84.26.
- (4) Property management requirements in §§84.31 through 84.37.
- (5) Records retention as required in §84.59.

(b) After closeout of an award, a relationship created under an award may be modified or ended in whole or in part with the consent of HUD and the recipient, provided the responsibilities of the recipient referred to in §84.73(a), including those for property management as applicable, are considered and provisions made for continuing responsibilities of the recipient, as appropriate.

§84.73 Collection of amounts due.

(a) Any funds paid to a recipient in excess of the amount to which the recipient is finally determined to be entitled under the terms and conditions of the award constitute a debt to the Federal Government. If not paid within a reasonable period after the demand for payment, HUD may reduce the debt by paragraphs (a)(1), (a)(2) or (a)(3) of this section:

- (1) Making an administrative offset against other requests for reimbursements.
- (2) Withholding advance payments otherwise due to the recipient.
- (3) Taking other action permitted by statute.

(b) Except as otherwise provided by law, HUD shall charge interest on an overdue debt in accordance with 5 CFR Chapter II, 'Federal Claims Collection Standards.'

24 CFR Subtitle A (4-1-03 Edition)

Subpart E—Use of Lump Sum Grants

§84.80 Conditions for use of Lump Sum (fixed price or fixed amount) grants.

(a) Heads of awarding activities (HAAs) shall determine and publish the funding arrangement for award programs having a published program regulation or Notice of Funding Availability. For other awards, discretion may be provided to Grant Officers to determine the funding arrangement on a transaction basis. In such cases, Grant Officers shall document the basis for selection of the funding arrangement in the negotiation record. Appropriate consideration to fixed amount (lump sum) awards shall be made if one or more of the following conditions are present:

(1) The HUD funding amount is definitely less than the total actual cost of the project.

(2) The HUD funding amount does not exceed \$100,000 or the small purchase threshold fixed at 41 U.S.C. 408 (1), whichever is greater.

(3) The project scope is very specific and adequate cost, historical, or unit pricing data is available to establish a fixed amount award with assurance that the recipient will realize no increment above actual cost.

(b) [Reserved]

§84.81 Definition.

(a) A lump sum award is an award for a predetermined amount, as set forth in the grant agreement, which amount does not vary with the amount of the recipient's actual incurred costs. Under this type of award, HUD does not pay the recipient for its incurred costs but rather for completing certain defined events in the work or achievement of some other well-defined milestone. Some of the ways in which the grant amount may be paid are, but are not limited to:

(1) In several partial payments, the amount of each agreed upon in advance, and the "milestone" or event triggering the payment also agreed upon in advance, and set forth in the grant;

(2) On a unit price basis, for a defined unit or units (such as a housing counseling unit), at a defined price or prices, agreed to in advance of performance of the grant and set forth in the grant or.

(3) In one payment at grant completion.

(4) The key distinction between a lump sum and a cost reimbursement grant is the lack of a direct relationship between the costs incurred by the recipient and the amount paid by HUD in the lump sum arrangement.

§84.82 Provisions applicable only to lump sum grants.

In addition to the provisions of this subpart E, subparts A and B of this part apply to lump sum grants.

(a) *Financial and program management.* Paragraphs (b) through (e) of this section prescribe standards for financial management systems, methods for making payments, budget revision approvals, and making audits.

(b) *Standards for financial management systems.* (1) Records that identify adequately the source and application of funds for federally-sponsored activities are required. These records shall contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, outlays, income and interest.

(2) Effective control over and accountability for all funds, property and other assets are required. Recipients shall adequately safeguard all such assets and assure they are used solely for authorized purposes.

(3) Comparison of outlays with budget amounts for each award is required. Whenever appropriate, financial information should be related to performance and unit cost data.

(4) Where HUD guarantees or insures the repayment of money borrowed by the recipient, HUD, at its discretion, may require adequate bonding and insurance if the bond(s) and insurance arrangements of the recipient are not deemed adequate to protect the interest of the Federal Government.

(5) HUD may require adequate fidelity bond coverage where the recipient lacks sufficient coverage to protect the funds of the Government's interest.

(6) Where bonds are required in the situations described above, the bonds shall be obtained from companies holding certificates of authority as acceptable sureties, as prescribed in 31 CFR part 223, "Surety Companies Doing Business with the United States."

(c) *Payments.* (1) The standard governing the use of banks and other institutions as depositories of funds advanced under awards is, HUD shall not require separate depository accounts for funds provided to a recipient or establish any eligibility requirements for depositories for funds provided to a recipient. However, recipients must be able to account for the receipt, obligation and expenditure of funds.

(2) Consistent with the national goal of expanding the opportunities for women-owned and minority-owned business enterprises, recipients shall be encouraged to use women-owned and minority-owned banks to bank which is owned at least 50 percent by women or minority group members.

(3) Except as noted elsewhere in this part, only the following forms shall be authorized for the recipients in requesting payments. HUD shall not require more than an original and two copies of these forms.

(i) *SF-270, Request for Advance or Reimbursement.* HUD has adopted the SF-270 as a standard form for all non-construction programs when electronic funds transfer or predetermined advance methods are not used. The SF-270 shall also be used for lump sum payment requests. HUD, however, has the option of using this form for construction programs in lieu of the SF-271, "Outlay Report and Request for Reimbursement for Construction Programs."

(ii) *SF-271, Outlay Report and Request for Reimbursement for Construction Programs.* HUD has adopted the SF-271 as the standard form to be used for requesting reimbursement for construction programs. However, HUD may substitute the SF-270 when HUD determines that it provides adequate information to meet HUD's needs.

(d) *Revision of budget and program plans.* (1) The budget plan is the plan and expression of the project or program as approved during the award

process. It may include either the Federal and non-Federal share, or only the Federal share, depending upon HUD requirements. It shall be related to performance for program evaluation purposes whenever appropriate.

(3) Recipients are required to report deviations from program plans, and request prior approvals for budget and program plan revisions, in accordance with this section.

(3) For nonconstruction awards, recipients shall request prior approvals from HUD for one or more of the following program or budget related reasons.

(i) Change in the scope or the objective of the project or program (even if there is no associated budget revision requiring prior written approval).

(ii) The need for additional Federal funding.

(iii) Unless described in the application and funded in the approved awards, the subaward, transfer or contracting out of any work under an award. This provision does not apply to the purchase of supplies, material, equipment or general support services.

(4) No other prior approval requirements for specific items may be imposed unless a deviation has been approved by OMB.

(5) Except for requirements listed in paragraphs (d)(3)(i) and (d)(3)(ii) of this section, HUD is authorized, at its option, to waive cost-related and administrative prior written approvals required by Circular A-118 and OMB Circulars A-21 and A-133. Such waivers may include authorizing recipients to do any one or more of the following:

(i) Institute a one-time extension of the expiration date of the award of up to 12 months unless one or more of the following conditions apply. For one-time extensions, the recipient must notify HUD in writing with the supporting reasons and revised expiration date at least 30 days before the expiration date specified in the award. This action may be taken unless:

(A) The terms and conditions of award prohibit the extension.

(B) The extension requires additional Federal funds.

(C) The extension involves any change in the approved objectives or scope of the project.

(6) For construction awards, recipients shall request prior written approval promptly from HUD for budget revisions whenever paragraphs (d)(3)(i) or (d)(3)(ii) of this section apply.

(1) The revision results from changes in the scope or the objective of the project or program.

(ii) The need arises for additional Federal funds to complete the project.

(7) No other prior approval requirements for specific items may be imposed unless a deviation has been approved by OMB.

(8) When HUD makes an award that provides support for both construction and nonconstruction work, HUD may require the recipient to request prior approval from HUD before making any fund or budget transfers between the two types of work supported.

(c) *Non-Federal audits.* (1) Recipients and subrecipients that are institutions of higher education or other non-profit organizations (including hospitals) shall be subject to the audit requirements contained in the Single Audit Act Amendments of 1996 (31 U.S.C. 7501-7507) and revised OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

(i) Non-profit organizations subject to regulations in the part 200 and part 800 series of this title which receive awards subject to part 84 shall comply with the audit requirements of revised OMB Circular A 133, "Audits of States, Local Governments, and Non-Profit Organizations." For HUD programs, a non-profit organization is the nongovernmental or owner (as these terms are defined in the regulations in the part 200 and part 800 series) and not a related or affiliated organization or entity.

(ii) [Reserved]

(2) State and local governments shall be subject to the audit requirements contained in the Single Audit Act Amendments of 1996 (31 U.S.C. 7501-7507) and revised OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

(3) For-profit hospitals not covered by the audit provisions of revised OMB Circular A 133 shall be subject to the audit requirements of the Federal awarding agencies.

(4) Commercial organizations shall be subject to the audit requirements of

HUD or the prime recipient as incorporated into the award document.

[35 FR 4701, Sept. 15, 1969, as amended at 62 FR 61917, Nov. 19, 1997]

§ 84.83 Property standards.

(a) *Purpose of property standards.* Paragraphs (b) through (g) of this section set forth uniform standards governing management and disposition of property furnished by the Federal Government whose cost was charged to a project supported by a Federal award. HUD shall require recipients to observe these standards under awards and shall not impose additional requirements unless specifically required by Federal statute. The recipient may meet its own property management standards and procedures provided it observes the provisions of paragraphs (b) through (g) of this section.

(b) *Insurance coverage.* Recipients shall, at a minimum, provide the equivalent insurance coverage for real property and equipment acquired with Federal funds as provided to property owned by the recipient. Federally-owned property need not be insured unless required by the terms and conditions of the award.

(c) *Real property.* HUD prescribes the following requirements for recipients concerning the use and disposition of real property acquired in whole or in part under awards:

(1) Title to real property shall vest in the recipient subject to the condition that the recipient shall use the real property for the authorized purpose of the project as long as it is needed and shall not encumber the property without approval of HUD.

(2) The recipient shall obtain written approval by HUD for the use of real property in other Federally-sponsored projects when the recipient determines that the property is no longer needed for the purpose of the original project. Use in other projects shall be limited to those under Federally-sponsored projects, awards or programs that have purposes consistent with those authorized for award by HUD.

(3) *Federally-owned and exempt property.* (i) Federally-owned property.

(A) Title to Federally-owned property received in the Federal Government's inventory shall remain in the Federal Government.

(B) Inventory listing of Federally-owned property in their custody to HUD. Upon completion of the award or when the property is no longer needed, the recipient shall report the property to HUD for further HUD utilization.

(ii) If HUD has no further need for the property, it shall be declared excess and reported to the General Services Administration, unless HUD has statutory authority to dispose of the property by alternative methods (e.g., the authority provided by the Federal Technology Transfer Act (15 U.S.C. 3710 (1)) to donate research equipment to educational and non-profit organizations in accordance with E.O. 12821, "Improving Mathematics and Science Education in Support of the National Education Goals.") Appropriate instructions shall be issued to the recipient by HUD.

(2) *Exempt property.* When statutory authority exists, HUD has the option to vest title to property acquired with Federal funds in the recipient without further obligation to the Federal Government and under conditions HUD considers appropriate. Such property is "exempt property." Should HUD not establish conditions, title to exempt property upon acquisition shall vest in the recipient without further obligation to the Federal Government.

(d) *Equipment.* (1) Title to equipment acquired by a recipient with Federal funds shall vest in the recipient, subject to conditions of this section.

(2) The recipient shall use the equipment in the project or program in which it was acquired as long as needed, whether or not the project or program continues to be supported by Federal funds and shall not encumber the equipment without approval of HUD. When the equipment is no longer needed for the original project or program, the recipient shall use the equipment in connection with its other Federally-sponsored activities in the following order of priority:

(i) Activities sponsored by HUD which funded the original project; then

(ii) Activities sponsored by other Federal awarding agencies.

(3) During the time that equipment is used on the project or program for which it was acquired, the recipient shall make it available for use in other

projects or programs if such other use will not interfere with the work on the project or program for which the equipment was originally acquired. First preference for such other use shall be given to other projects or programs sponsored by HUD that financed the equipment; second preference shall be given to projects or programs sponsored by other Federal awarding agencies. If the equipment is owned by the Federal Government, use on other activities not sponsored by the Federal Government shall be permissible if authorized by HUD.

(4) The recipient's property management standards for equipment acquired with Federal funds and federally-owned equipment shall include all of the following:

(i) Equipment records shall be maintained accurately and shall include the following information:

(A) A description of the equipment.

(B) Manufacturer's serial number, model number, Federal stock number, national stock number, or other identification number.

(C) Source of the equipment, including the award number.

(D) Whether title vests in the recipient or the Federal Government.

(E) Acquisition date (or date received, if the equipment was furnished by the Federal Government) and cost.

(F) Location and condition of the equipment and the date the information was reported.

(ii) Equipment owned by the Federal Government shall be identified to indicate Federal ownership.

(iii) A physical inventory of equipment shall be taken and the results reconciled with the equipment records at least once every two years. Any differences between quantities determined by the physical inspection and those shown in the accounting records shall be investigated to determine the causes of the difference. The recipient shall, in connection with the inventory, verify the existence, current utilization, and continued need for the equipment.

(iv) A control system shall be in effect to insure adequate safeguards to prevent loss, damage, or theft of the equipment. Any loss, damage, or theft of equipment shall be investigated and

fully documented; if the equipment was owned by the Federal Government, the recipient shall promptly notify HUD.

(v) Adequate maintenance procedures shall be implemented to keep the equipment in good condition.

(5) HUD may reserve the right to transfer the title to the Federal Government or to a third party named by the Federal Government when such third party is otherwise eligible under existing statutes. Such transfer shall be subject to the following standards:

(i) The equipment shall be appropriately identified in the award or otherwise made known to the recipient in writing.

(ii) HUD shall issue disposition instructions within 120 calendar days after receipt of a final inventory. The final inventory shall list all equipment acquired with grant funds and federally owned equipment. If HUD fails to issue disposition instructions within the 120 calendar day period, the recipient shall apply the standards of this section, as appropriate.

(iii) When HUD exercises its right to take title, the equipment shall be subject to the provisions for federally-owned equipment.

(f) *Intangible property.* (1) The recipient may copyright any work that is subject to copyright and was developed, or for which ownership was purchased, under an award. HUD reserves a royalty-free, nonexclusive and irrevocable right to reproduce, publish, or otherwise use the work for Federal purposes, and to authorize others to do so.

(2) Recipients are subject to applicable regulations governing patents and inventions, including government wide regulations issued by the Department of Commerce at 37 CFR part 401, "Rights to Inventions Made by Non-profit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements."

(3) Unless waived by HUD, the Federal Government has the right to paragraphs (f)(3)(i) and (f)(3)(ii) of this section.

(i) Obtain, reproduce, publish or otherwise use the data first produced under an award

(ii) Authorize others to receive, reproduce, publish, or otherwise use such data for Federal purposes.

(4) Title to intangible property and debt instruments acquired under an award or subaward vests upon acquisition in the recipient. The recipient shall use that property for the originally-authorized purpose.

(g) *Property trust relationship.* Real property, equipment, intangible property and debt instruments that are acquired or improved with Federal funds shall be held in trust by the recipient as trustee for the beneficiaries of the project or program under which the property was acquired or improved. HUD may require recipients to record liens or other appropriate notices of record to indicate that personal or real property has been acquired or improved with Federal funds and that use and disposition conditions apply to the property.

§ 84.84 Procurement standards.

(a) *Purpose of procurement standards.* Paragraphs (b) through (f) of this section set forth standards for use by recipients in establishing procedures for the procurement of supplies and other expendable property, equipment, real property and other services with Federal funds. These standards are furnished to ensure that such materials and services are obtained in an effective manner and in compliance with the provisions of applicable Federal statutes and executive orders. No additional procurement standards or requirements shall be imposed by HUD upon recipients, unless specifically required by Federal statute or executive order or approved by OMB.

(b) *Recipient responsibilities.* The standards contained in this section do not relieve the recipient of the contractual responsibilities arising under its contracts. The recipient is the responsible authority, without recourse to HUD, regarding the settlement and satisfaction of all contractual and administrative issues arising out of procurements entered into in support of an award or other agreement. This includes disputes, claims, protests or award, source evaluation or other matters of a contractual nature. Matters involving the action of statute are to

be referred to such Federal, State or local authority as may have proper jurisdiction.

(c) *Codes of conduct.* The recipient shall maintain written standards of conduct governing the performance of its employees engaged in the award and administration of contracts. No employee, officer, or agent shall participate in the selection, award, or administration of a contract supported by Federal funds if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award. The officers, employees, and agents of the recipient shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, or parties to subagreements. However, recipients may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct shall provide for disciplinary actions to be applied for violations of such standards by officers, employees or agents of the recipient.

(d) *Competition.* All procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition. The recipient shall be alert to organizational conflicts of interest as well as noncompetitive practices among contractors that may restrict or eliminate competition or otherwise restrain trade. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, invitations for bids and/or requests for proposals shall be excluded from competing in such procurements. Awards shall be made to the bidder or offeror whose bid or offer is responsive to the solicitation and is most advantageous to the recipient, price, quality and other factors considered. The other factors shall include the bidder's or offeror's compliance with Section 8(a) and 8(a)(1) of the Small Business Development

Act of 1965 (12 U.S.C. 1701a), hereafter referred to as "Section 3." Section 3 provides that, to the greatest extent feasible, and consistent with existing Federal, State, and local laws, and regulations, economic opportunities generated by certain HUD financial assistance shall be directed to low- and very low-income persons. Solicitations shall clearly set forth all requirements that the bidder or offeror shall fulfill in order for the bid or offer to be evaluated by the recipient. Any and all bids or offers may be rejected when it is in the recipient's interest to do so.

(e) *Procurement procedures.* (1) All recipients shall establish written procurement procedures. These procedures shall provide for, at a minimum, that paragraphs (c)(1)(i), (e)(1)(ii) and (e)(1)(iii) of this section apply.

(i) Recipients avoid purchasing unnecessary items.

(ii) Where appropriate, an analysis is made of lease and purchase alternatives to determine which would be the most economical and practical procurement for the recipient.

(iii) Solicitations for goods and services provide for all of the following:

(A) A clear and accurate description of the technical requirements for the material, product or service to be procured. In competitive procurements, such a description shall not contain features which unduly restrict competition.

(B) Requirements which the bidder or offeror must fulfill and all other factors to be used in evaluating bids or proposals.

(C) A description, whenever practicable, of technical requirements in terms of functions to be performed or performance required, including the range of acceptable characteristics or minimum acceptable standards.

(D) The specific features of "brand name or equal" descriptions that bidders are required to meet when such items are included in the solicitation.

(E) The acceptance, to the extent practicable and economically feasible, of products and services dimensioned in the metric system of measurement.

(F) Preference, to the extent practicable and economically feasible, for products and services that conserve

natural resources and protect the environment and are energy efficient.

(2) Positive efforts shall be made by recipients to utilize small businesses, minority-owned firms, and women's business enterprises, whenever possible. Recipients of Federal awards shall take all of the following steps to further this goal.

(i) Ensure that small businesses, minority-owned firms, and women's business enterprises are used to the fullest extent practicable.

(ii) Make information on forthcoming opportunities available and arrange time frames for purchases and contracts to encourage and facilitate participation by small businesses, minority-owned firms, and women's business enterprises.

(iii) Consider in the contract process whether firms competing for larger contracts intend to subcontract with small businesses, minority-owned firms, and women's business enterprises.

(iv) Encourage contracting with consortiums of small businesses, minority-owned firms and women's business enterprises when a contract is too large for one of these firms to handle individually.

(v) Use the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Department of Commerce's Minority Business Development Agency in the solicitation and utilization of small businesses, minority-owned firms and women's business enterprises.

(3) The type of procuring instruments used (e.g., fixed price contracts, cost reimbursable contracts, purchase orders, and incentive contracts) shall be determined by the recipient but shall be appropriate for the particular procurement and for promoting the best interest of the program or project involved. The "cost-plus-a-percentage-of-cost" or "percentage of construction cost" methods of contracting shall not be used.

(4) Contracts shall be made only with responsible contractors who possess the potential ability to perform successfully under the terms and conditions of the proposed procurement. Consideration shall be given to such

matters as contractor integrity; compliance with public policy, including, where applicable, Section 3 of the Housing and Urban Development Act of 1968 (42 U.S.C. 1701a); record of past performance; financial and technical resources or accessibility to other necessary resources. In certain circumstances, contracts with certain parties are restricted by agencies' implementation of E.O.'s 12548 and 12659, "Debarment and Suspension," as set forth at 34 CFR part 24.

(5) Recipients shall, on request, make available for the Federal awarding agency, pre-award review and procurement documents, such as requests for proposals or invitations for bids, independent cost estimates, etc., when any of the following conditions apply:

(i) A recipient's procurement procedures or operation fails to comply with the procurement standards in HUD's implementation of Circular A-119.

(ii) The procurement is expected to exceed \$100,000 or the small purchase threshold fixed at 41 U.S.C. 403 (1), whichever is greater, and is to be awarded without competition or only one bid or offer is received in response to a solicitation.

(iii) The procurement, which is expected to exceed the small purchase threshold, specifies a "brand name" product.

(iv) The proposed award over the small purchase threshold is to be awarded to other than the apparent low bidder under a sealed bid procurement.

(v) A proposed contract modification changes the scope of a contract or increases the contract amount by more than the amount of the small purchase threshold.

(6) *Cost and price analysis.* Some form of cost or price analysis shall be made and documented in the procurement files in connection with every procurement action. Price analysis may be accomplished in various ways, including the comparison of price quotations and contract, market prices and similar indicators together with discounts. Cost analysis is the review and evaluation of each element of cost to determine reasonableness, a quantity and allowability.

(7) *Procurement records.* Procurement records and files for purchases in excess of the small purchase threshold shall include the following at a minimum:

(1) Basis for contractor selection;

(2) Justification for lack of competition when competitive bids or offers are not obtained; and

(3) Basis for award cost or price.

(8) *Contract administration.* A system for contract administration shall be maintained to ensure contractor non-performance with the terms, conditions and specifications of the contract and to ensure adequate and timely follow up of all purchases. Recipients shall evaluate contractor performance and document, as appropriate, whether contractors have met the terms, conditions and specifications of the contract.

(9) *Contract provisions.* The recipient shall include, in addition to provisions to define a sound and complete agreement, the following provisions in all contracts. The following provisions shall also be applied to subcontracts.

(1) Contracts in excess of the small purchase threshold shall contain contractual provisions or conditions that allow for administrative, contractual or legal remedies in instances in which a contractor violates or breaches the contract terms, and provide for such remedial actions as may be appropriate.

(2) A contract in excess of the small purchase threshold shall contain suitable provisions for termination by the recipient, including the manner by which termination shall be effected and the basis for settlement. In addition, such contracts shall include conditions under which the contract may be terminated for default as well as conditions where the contract may be terminated because of circumstances beyond the control of the contractor.

(3) Except as otherwise required by statute, all work that requires the contracting for subcontracting, for construction or facility improvements, shall provide for the recipient to show its own requirements relating to bid requirements, performance bonds, and payment bonds unless the construction contract or subcontracting contract

\$100,000. For those contracts or subcontracts exceeding \$100,000, HUD may accept the bonding policy and requirements of the recipient, provided HUD has made a determination that the Federal Government's interest is adequately protected. If such a determination has not been made, the minimum requirements shall be as follows:

(i) A bid guarantee from each bidder equivalent to five percent of the bid price. The "bid guarantee" shall consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder shall, upon acceptance of his bid, execute such contractual documents as may be required within the time specified.

(ii) A performance bond on the part of the contractor for 100 percent of the contract price. A "performance bond" is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.

(iii) A payment bond on the part of the contractor for 100 percent of the contract price. A "payment bond" is one executed in connection with a contract to assure payment as required by statute of all persons supplying labor and material in the execution of the work provided for in the contract.

(iv) Where bonds are required in the situations described herein, the bonds shall be obtained from companies holding certificates of authority as acceptable sureties pursuant to 31 CFR part 208, "Surety Companies Doing Business with the United States."

(4) All negotiated contracts (except those for less than the small purchase threshold) awarded by recipients shall include a provision to the effect that the recipient, HUD, the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers and records of the contractor which are directly pertinent to a specific program for the purpose of making audits, examinations, excerpts and transcriptions.

(5) All contracts, including small purchases, awarded by recipients and their contractors shall contain the procurement provisions of Appendix A to this rule, as applicable.

§ 84.85 Reports and records.

(a) *Purpose of reports and records.* Paragraphs (b) and (c) of this section set forth the procedures for monitoring and reporting on the recipient's financial and program performance and the necessary standard reporting forms. They also set forth record retention requirements.

(b) *Monitoring and reporting program performance.* (1) Recipients are responsible for managing and monitoring each project, program, subaward, function or activity supported by the award. Recipients shall monitor subawards to ensure subrecipients have met the audit requirements as delineated in § 84.82(e).

(2) The Federal awarding agency shall prescribe the frequency with which the performance reports shall be submitted. Except as provided in paragraph (b)(6) of this section, performance reports shall not be required more frequently than quarterly or less frequently than annually. Annual reports shall be due 90 calendar days after the grant year; quarterly or semi annual reports shall be due 30 days after the reporting period. The Federal awarding agency may require annual reports before the anniversary dates of multiple year awards in lieu of those requirements. The final performance reports are due 90 calendar days after the expiration or termination of the award.

(3) If inappropriate, a final technical or performance report shall not be required after completion of the project.

(4) When required, performance reports shall generally contain, for each award, brief information on each of the following:

(i) A comparison of actual accomplishments with the goals and objectives established for the period, the findings of the investigator, or both. Whenever appropriate and the output of programs or projects can be readily quantified, such quantitative data should be related to cost data for computation of unit costs.

(ii) Reasons why established goals were not met, if appropriate.

(3) Recipients shall not be required to submit more than the original and two copies of performance reports.

(6) Recipients shall immediately notify HUD of developments that have a

significant impact on the award-supported activities. Also, notification shall be given in the case of problems, delays, or adverse conditions which materially impair the ability to meet the objectives of the award. This notification shall include a statement of the action taken or contemplated, and any assistance needed to resolve the situation.

(7) HUD may make site visits, as needed.

(8) HUD shall comply with clearance requirements of 5 C.F.R. part 1320 when requesting performance data from recipients.

(c) *Retention and access requirements for records.* (1) This paragraph sets forth requirements for record retention and access to records for awards to recipients. Federal awarding agencies shall not impose any other record retention or access requirements upon recipients.

(2) Financial records, supporting documents, statistical records, and all other records pertinent to an award shall be retained for a period of three years from the date of submission of the final expenditure report or, for awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, as authorized by HUD. The only exceptions are the following:

(i) If any litigation, claim, or audit is started before the expiration of the 3-year period, the records shall be retained until all litigation, claims or audit findings involving the records have been resolved and final action taken.

(ii) Records for real property and equipment acquired with Federal funds shall be retained for 3 years after final disposition.

(iii) When records are transferred to or maintained by the Federal awarding agency, the 3-year retention requirement is not applicable to the records.

(2) Copies of original records may be substituted for the original records if authorized by HUD.

(d) HUD shall request transfer of certain records to its custody from recipients when it determines that the records possess long-term retention value. However, in order to avoid any interruption of HUD's ability to make ar-

rangements for recipients to retain any records that are continuously needed for joint use.

(5) HUD, the Inspector General, Comptroller General of the United States, or any of their duly authorized representatives, have the right of timely and unrestricted access to any books, documents, papers, or other records of recipients that are pertinent to the awards, in order to make audits, examinations, excerpts, transcripts and copies of such documents. This right also includes timely and reasonable access to a recipient's personnel for the purpose of interview and discussion related to such documents. The rights of access in this paragraph (c)(5) are not limited to the required retention period, but shall last as long as records are retained.

(6) Unless required by statute, HUD shall not place restrictions on recipients that limit public access to the records of recipients that are pertinent to an award, except when HUD can demonstrate that such records shall be kept confidential and would have been exempted from disclosure pursuant to the Freedom of Information Act (5 U.S.C. 552) if the records had belonged to HUD.

§ 84.86 Termination and enforcement.

(a) *Termination.* (1) Awards may be terminated in whole or in part only if paragraphs (a)(1)(i), (a)(1)(ii), or (a)(1)(iii) of this section apply.

(i) By HUD, if a recipient materially fails to comply with the terms and conditions of an award.

(ii) By HUD with the consent of the recipient, in which case the two parties shall agree upon the termination conditions, including the effective date and in the case of partial termination, the portion to be terminated.

(iii) By the recipient upon sending to HUD written notification setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if HUD determines in the case of partial termination that the reduced or modified portion of the award will not accomplish the purposes for which the grant was made, it may terminate the award in its entirety.

under either paragraphs (a)(1)(i) or (a)(1)(ii) of this section.

(2) If costs are allowed under an award, the responsibilities of the recipient referred to in §84.87(a)(1), including those for property management as applicable, shall be considered in the termination of the award, and provision shall be made for continuing responsibilities of the recipient after termination, as appropriate.

(8) If costs are allowed, the cost principles in §84.27 apply, even though the award was made on a lump-sum basis. Alternatively, a termination settlement may be reached by prorating the grant amount against the percentage of completion or by some other method as determined by the Grant Officer, as long as the method used results in an equitable settlement to both parties.

(b) *Enforcement.* (1) *Rewards for non-compliance.* If a recipient materially fails to comply with the terms and conditions of an award, whether stated in a Federal statute, regulation, assurance, application, or notice of award, HUD may, in addition to imposing any of the special conditions outlined in §84.14, take one or more of the following actions, as appropriate in the circumstances.

(i) Temporarily withhold cash payments pending correction of the deficiency by the recipient or more severe enforcement action by HUD.

(ii) Wholly or partly suspend or terminate the current award.

(iii) Withhold further awards for the project or program.

(iv) Take other remedies that may be legally available.

(2) *Hearings and appeals.* In taking an enforcement action, HUD shall provide the recipient an opportunity for hearing, appeal, or other administrative proceeding to which the recipient is entitled under any statute or regulation applicable to the action involved.

(3) *Effects of suspension and termination.* Costs of a recipient resulting from obligations incurred by the recipient during a suspension or after termination of an award are not allowable unless HUD expressly authorizes them in the notice of suspension or termination or subsequently. Other recipient costs during suspension or after termination which are necessary and

not reasonably avoidable are allowable if paragraphs (b)(3)(i) and (b)(8)(ii) of this section apply.

(i) The costs result from obligations which were properly incurred by the recipient before the effective date of suspension or termination, are not in anticipation of it, and in the case of a termination, are noncancellable.

(ii) The costs would be allowable if the award were not suspended or expired normally at the end of the funding period in which the termination takes effect.

(4) *Relationship to debarment and suspension.* The enforcement remedies identified in this section, including suspension and termination, do not preclude a recipient from being subject to debarment and suspension under E.O.s 12549 and 13589 and HUD's implementing regulations at 24 CFR part 34 (see §84.13).

§84.87 Closeout procedures, subsequent adjustments and continuing responsibilities.

(a) *Closeout procedures.* (1) Recipients shall submit, within 90 calendar days after the date of completion of the award, all financial, performance, and other reports as required by the terms and conditions of the award. HUD may approve extensions when requested by the recipient.

(2) The recipient shall account for any real and personal property acquired with Federal funds or received from the Federal Government in accordance with §§84.83(b) through (g).

(b) *Subsequent adjustments and continuing responsibilities.* (1) The closeout of an award does not affect any of the following:

(i) Audit requirements in §84.26.

(ii) Property management requirements in §§84.83(b) through (g).

(iii) Records retention as required in §84.53.

(2) After closeout of an award, a relationship created under an award may be modified or ended in whole or in part with the consent of HUD and the recipient, provided the responsibilities of the recipient are considered and provisions made for continuing responsibilities of the recipient, as appropriate.

APPENDIX A TO PART 84—CONTRACT PROVISIONS

All contracts, awarded by a recipient including small purchases, shall contain the following provisions as applicable:

1. **Equal Employment Opportunity**—All contracts shall contain a provision requiring compliance with E.O. 11246, "Equal Employment Opportunity," as amended by E.O. 11876, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and as supplemented by regulations at 41 CFR part 56, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."

2. **Copeland "Anti-Kickback" Act** (18 U.S.C. 874 and 49 U.S.C. 275c)—All contracts and subgrants in excess of \$2000 for construction or repair awarded by recipients and subrecipients shall include a provision for compliance with the Copeland "Anti-Kickback" Act (18 U.S.C. 874), as supplemented by Department of Labor regulations (29 CFR part 2, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). This Act provides that each contractor or subcontractor shall be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he is otherwise entitled. The recipient shall report all suspected or proven violations to HUD.

3. **Davis-Bacon Act**, as amended (40 U.S.C. 276a to e-7)—When required by Federal program legislation, all construction contracts awarded by the recipients and subrecipients of more than \$5000 shall include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 276a to e-7) and as supplemented by Department of Labor regulations (29 CFR part 1, "Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction"). Under this Act, contractors shall be required to pay wages to laborers and mechanics at a rate not less than the minimum wages specified in a wage determination made by the Secretary of Labor. In addition, contractors shall be required to pay wages not less than once a week. The recipient shall place a copy of the current prevailing wage determination issued by the Department of Labor in each subcontract and the award of a contract shall be conditioned upon the acceptance of the wage determination. The recipient shall report all suspected or proven violations to HUD.

4. **Contract Work Hours and Safety Standard Act** (40 U.S.C. 277 to 280a-10)—When applicable, all contracts awarded by recipients in excess of \$1000 for construction contracts and in excess of \$1500 for other contracts that involve the employment of mechanics or laborers shall include a provision for compliance

with Sections 102 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 227-230), as supplemented by Department of Labor regulations (29 CFR part 51). Under Section 102 of the Act, each contractor shall be required to compute the wages of every mechanic and laborer on the basis of a standard workweek of 40 hours. Work in excess of the standard workweek is permissible provided that the worker's compensation at a rate of not less than 1 1/2 times the basic rate of pay for all hours worked in excess of 40 hours in the workweek. Section 107 of the Act is applicable to construction work and provides that no laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of mail or goods.

5. **Rights to Inventions Made Under a Contract or Agreement**—Contracts or agreements for the performance of experimental, developmental, or research work shall provide for the rights of the Federal Government and the recipient in any resulting invention in accordance with 37 CFR part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by HUD.

6. **Clean Air Act** (42 U.S.C. 185a et seq.) and the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), as amended—Contracts and subgrants of amounts in excess of \$100,000 shall contain a provision that requires the recipient to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 185a et seq.) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251 et seq.). Violations shall be reported to HUD and the Regional Office of the Environmental Protection Agency (EPA).

7. **Sundt Anti-Lobbying Amendment** (31 U.S.C. 1352)—Contractors who apply or bid for an award of \$100,000 or more shall file the required certification. Each tier certifies to the Government that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Recipients shall also disclose any lobbying with non-Federal funds that influences any Federal award with obtaining any Federal award. Such disclosures are furnished from time to time up to the recipient.

8. *Debarment and Suspension (E.O.s 12549 and 12669)*—No contract shall be made to parties listed on the General Services Administration's List of Parties Excluded from Federal Procurement or Nonprocurement Programs in accordance with E.O.s 12549 and 12669, "Debarment and Suspension," as set forth at 24 CFR part 24. This list contains the names of parties debarred, suspended, or otherwise excluded by agencies, and contractors declared ineligible under statutory or regulatory authority other than E.O. 12549. Contractors with awards that exceed the small purchase threshold shall provide the required certification regarding its exclusion status and that of its principal employees.

9. *Drug-Free Workplace Requirements*—The Drug-Free Workplace Act of 1988 (42 U.S.C. 701) requires grantees (including individuals) of Federal agencies, as a prior condition of being awarded a grant, to certify that they will provide drug-free workplaces. Each potential recipient must certify that it will comply with drug-free workplace requirements in accordance with the Act and with HUD's rules at 24 CFR part 24, subpart F.

PART 85—ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE, LOCAL AND FEDERALLY RECOGNIZED INDIAN TRIBAL GOVERNMENTS

Subpart A—General

- Sec.
- 85.1 Purpose and scope of this part.
- 85.2 Scope of subpart.
- 85.3 Definitions.
- 85.4 Applicability.
- 85.5 Effect on other issuances.
- 85.6 Additions and exceptions.

Subpart B—Pre-Award Requirements

- 85.10 Forms for applying for grants.
- 85.11 State plans.
- 85.12 Special grant or subgrant conditions for "high risk" grantees.

Subpart C—Post-Award Requirements

FINANCIAL ADMINISTRATION

- 85.20 Standards for financial management systems.
- 85.21 Payments.
- 85.22 Allowable costs.
- 85.23 Period of availability of funds.
- 85.24 Matching or cost sharing.
- 85.25 Program income.
- 85.26 Non-Federal audit.

CHARGES, PROPERTY, AND SUBAWARDS

- 85.32 Charges.

- 85.31 Real property.
- 85.32 Equipment.
- 85.33 Supplies.
- 85.34 Copyrights.
- 85.35 Subawards to debarred and suspended parties.
- 85.36 Procurement.
- 85.37 Subgrants.

REPORTS, RECORDS, RETENTION, AND ENFORCEMENT

- 85.40 Monitoring and reporting program performance.
- 85.41 Financial reporting.
- 85.42 Retention and access requirements for records.
- 85.43 Enforcement.
- 85.44 Termination for convenience.

Subpart D—After-the-Grant Requirements

- 85.50 Closeout.
- 85.51 Later disallowances and adjustments.
- 85.52 Collection of amounts due.

Subpart E—Entitlement (Reserved)

AUTHORITY: 42 U.S.C. 3535(d).

SOURCE: 53 FR 8969, 8967, Mar. 11, 1988, unless otherwise noted.

Subpart A—General

§ 85.1 Purpose and scope of this part.

This part establishes uniform administrative rules for Federal grants and cooperative agreements and subawards to State, local and Indian tribal governments.

§ 85.2 Scope of subpart.

This subpart contains general rules pertaining to this part and procedures for control of exceptions from this part.

§ 85.3 Definitions.

As used in this part:
Accrued expenditures mean the charges incurred by the grantee during a given period requiring the provision of funds for: (1) goods and other tangible property received; (2) services performed by employees, contractors, subgrantees, subcontractors, and other payees; and (3) other amounts becoming owed under programs for which no current services or performance is required, such as annuities, insurance claims, and other benefit payments.

Accrued income means the sum of: (1) earnings during a given period from

EXHIBIT M
EQUAL BENEFITS ORDINANCE

EXHIBIT L

COMPLIANCE

CITY OF LOS ANGELES

Department of Public Works
Bureau of Contract Administration
Office of Contract Compliance

300 South Spring Street, Suite 1300, Los Angeles, CA 90014
Phone: (213) 847-6480 - Fax: (213) 847-5566

EQUAL BENEFITS ORDINANCE COMPLIANCE FORM

Your company must be certified as complying with Los Angeles Administrative Code Section 10.8.2.1, Equal Benefits Ordinance, prior to the execution of a City agreement. This form must be returned to the City department awarding the agreement. If responding to a request for bid/proposal, submit this form with the bid/proposal.

City Dept. Awarding Contract: LAUSA Contact/Phone: (213) 683-3335

SECTION 1. CONTACT INFORMATION

Company Name: L.A. County Department of Children and Family Services
Company Address: 425 Shatto Pl.
City: L.A. State: CA Zip: 90020
Contact Person: Caroline Moore-Williams Phone: (213) 351-0100 Fax: (213) 637-0000
I am a one-person contractor, and I have no employees. ☐ Yes ☒ No (If you answered "Yes," go to Section 3)
Approximate Number of Employees in the United States: 6,000
Are any of your employees covered by a collective bargaining agreement or union trust fund? ☒ Yes ☐ No

SECTION 2. COMPLIANCE QUESTIONS

Has your company previously submitted a Compliance Form and all supporting documentation? ☒ Yes ☐ No
If Yes, AND the benefits provided to your employees have not changed since that time, continue onto Section 3. If No, OR if the benefits provided to your employees have changed since that time, complete the rest of this form.

In the table below, check all benefits that your company currently provides to employees or to which your employees have access. Provide information for each benefits carrier if your employees have access to more than one carrier. Note: some benefits are available or apply to employees because they have a spouse or domestic partner to whom the benefit applies, such as bereavement leave that allows an employee time off because of the death of a spouse or domestic partner; other benefits are provided directly to the spouse or domestic partner, such as medical insurance that covers the spouse or domestic partner as a dependent.

	BENEFIT(S) YOUR COMPANY CURRENTLY OFFERS	This Benefit is Not Offered to Employees	This Benefit is Available to Employees	Available/Applies to Spouses of Employees	Available/Applies to Domestic Partners of Employees
1	Health Insurance (List Name of Carrier(s))				
	Health Carrier 1:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Health Carrier 2:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Additional carriers on attachment:				
2	Dental Insurance (List Name of Carrier(s))				
	Dental Carrier 1:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Dental Carrier 2:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Additional carriers on attachment:				
3	Vision Plan (List Name of Carrier(s))				
	Vision Carrier 1:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Vision Carrier 2:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Pension/401(k) Plans	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	Bereavement Leave	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	Family Leave	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7	Parental Leave	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8	Employee Assistance Program	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9	Relocation & Travel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10	Company Discount Facilities & Events	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11	Credit Union	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12	Child Care	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13	Other:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14	Other:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

COMPLIANCE

YOU MUST SUBMIT SUPPORTING DOCUMENTATION TO VERIFY EACH BENEFIT MARKED. Without proper documentation for each carrier and each benefit marked, your company cannot be certified as complying with the EBO. If documentation for a particular benefit does not exist, attach an explanation. Refer to the "Documentation to Verify Compliance with the Equal Benefits Ordinance" fact sheet for more information on the type of documentation that must be submitted to verify compliance with the EBO.

If in the Table in Section 2 you indicated that your company does not provide all benefits equally throughout its entire operations to all your employees with spouses and employees with domestic partners of the same and different sex, you may:

- ☐ **a. Request additional time to comply with the EBO.** Provisional Compliance may be granted to Contractors who agree to fully comply with the EBO but need more time to incorporate the requirements of the EBO into their operations. Submit the Application for Provisional Compliance (OCC/EBO-3) and supporting documentation with this Compliance Form.
- ☐ **b. Request to be allowed to comply with the EBO by providing affected employees with the cash equivalent.** Your company must agree to provide employees with a cash equivalent. In most cases, the cash equivalent is the amount of money equivalent to what your company pays for spousal benefits that are unavailable for domestic partners, or vice versa. Submit a completed Application for Reasonable Measures Determination (OCC/EBO-2) and supporting documentation with this Compliance Form.
- ☐ **c. Comply on a Contract-by-Contract Basis.** Compliance may be granted on a contract-by-contract basis for those Contractors who have multiple locations in the U.S. but cannot comply with the EBO throughout the Contractor's operations. Indicate below the compliance category you are requesting:
 - ☐ Contractor has multiple operations located both within and outside City limits. Contractor will comply with the EBO only for the operation(s) located within City limits and for employee(s) located elsewhere in the United States who perform work relating to the City agreement. Supporting documentation for the affected operation(s)/employees must be submitted.
 - ☐ Contractor has no offices within City limits but does have (an) employee(s) working on the City agreement located elsewhere in the United States. Contractor will comply with the EBO only for employee(s) located elsewhere in the United States who perform work relating to the City agreement. Supporting documentation for the affected employee(s) must be submitted.

SECTION 3. EXECUTE THE DECLARATION AND SUBMIT THE FORM TO THE AWARDING DEPARTMENT
This form must be returned to the City department awarding the agreement. If responding to a request for bid/proposal, submit this form with the bid/proposal to the awarding department. The awarding department will forward the form to the Department of Public Works, Bureau of Contract Administration, Office of Contract Compliance for review.

DECLARATION UNDER PENALTY OF PERJURY

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that I am authorized to bind this entity contractually.

Executed this _____ day of _____, in the year 2004, at L.A. _____, CA
(City) (State)

Signature

David Sanderia, President

Name of Signatory (please print)

Director

Title

420 Shattuck Pl.

Mailing Address

Los Angeles, CA 90020

City, State, Zip Code

916-6001-1077

Telephone Number

CITY OF LOS ANGELES
Department of Public Works
Bureau of Contract Administration
Office of Contract Compliance
600 South Spring Street, Suite 1300, Los Angeles, CA 90014
Phone: (213) 847-6480 - Fax: (213) 847-5566

DOCUMENTATION TO VERIFY COMPLIANCE WITH THE EQUAL BENEFITS ORDINANCE

Section 2 of the Equal Benefits Ordinance Compliance Form (Form OCC/EBO-1) requires that you submit supporting documentation to the Office of Contract Compliance to verify that all benefits marked in your response(s) are offered in a nondiscriminatory manner. This list is intended to be used only as a guide for the type of documentation needed.

Health, Dental, Vision Insurance: A statement from your insurance provider that spouses and domestic partners receive equal coverage in your medical plan. This may be in a letter from your insurance provider or reflected in the eligibility section of your official insurance plan document. Note that "domestic partner" includes same-sex as well as different-sex partners so that the definition of "domestic partner" contained in the plan document must include different-sex partners.

Pension/401(k) Plans: Documentation should indicate that participating employees may designate a beneficiary to receive the amount payable upon the death of the employee. Submit a blank beneficiary designation form.

Bereavement Leave: Your bereavement leave or funeral leave policy indicating the benefit is offered equally. If your policy allows employees time off from work because of the death of a spouse, it should also allow for time off because of the death of a domestic partner. If the policy allows time off for the death of a parent in-law or other relative of a spouse, it must include time off for the death of a domestic partner's equivalent relative.

Family Leave: Your company's Family and Medical Leave Act policy. All companies with 50 or more employees must offer this benefit. Your policy should indicate that employees may take leave because of the serious medical condition of their spouse or domestic partner.

Parental Leave: Your company's policy indicating that employees may take leave for the birth or adoption of a child. If leave is available for step-children (the spouse's child) then leave should also be made available for the child of a domestic partner.

Employee Assistance Program (EAP): The benefit typically refers to programs that allow employees and their family members access to counselors who provide short-term counseling and referrals to assist in dealing with issues such as family problems, addiction, and financial and legal difficulties. Your company's EAP policy must confirm that spouses, domestic partners and their parents and children are equally eligible (or ineligible) for such benefits. If provided through a third party, a statement from the third party provider regarding eligibility is required.

Relocation & Travel: Your company's policy confirming that expenses for travel or relocation will be paid on the same basis for spouses and domestic partners of employees.

Company Discounts, Facilities & Events: Your company's policy confirming that to the extent discounts, facilities (such as a gym) and events (such as a company holiday party) are equally available to spouses and domestic partners of employees.

Credit Union: Documentation from the credit union indicating that spouses and domestic partners have equal access to credit union services.

Child Care: Documentation that the children of spouses (step children) and children of domestic partners have equal access to child care services.

Other Benefits: Documentation of any other benefits listed to indicate that they are offered equally.

CITY OF LOS ANGELES

Department of Public Works
Bureau of Contract Administration
Office of Contract Compliance

600 South Spring Street, Suite 1300, Los Angeles, CA 90014
Phone: (213) 847-6480 - Fax: (213) 847-5566

EQUAL BENEFITS ORDINANCE COMPLIANCE FORM

Your company must be certified as complying with Los Angeles Administrative Code Section 10.8.2.1, Equal Benefits Ordinance, prior to the execution of a City agreement. This form must be returned to the City department awarding the agreement. If responding to a request for bid/proposal, submit this form with the bid/proposal.

City Dept. Awarding Contract: DAHSA Contact/Phone: (213) 683-3333

SECTION 1. CONTACT INFORMATION

Company Name: L.A. County Department of Children and Family Services
Company Address: 425 Shatto Pl.
City: S.A. State: CA Zip: 90020
Contact Person: Caroline Moore-Williams Phone: (213) 357-0105 Fax: (213) 637-0066
I am a one-person contractor, and I have no employees. ☐ Yes ☒ No (if you answered "Yes," go to Section 3)
Approximate Number of Employees in the United States: 6,000
Are any of your employees covered by a collective bargaining agreement or union trust fund? ☒ Yes ☐ No

SECTION 2. COMPLIANCE QUESTIONS

Has your company previously submitted a Compliance Form and all supporting documentation? ☒ Yes ☐ No
If Yes, AND the benefits provided to your employees have not changed since that time, continue onto Section 3. If No, OR if the benefits provided to your employees have changed since that time, complete the rest of this form.

In the table below, check all benefits that your company currently provides to employees or to which your employees have access. Provide information for each benefits carrier if your employees have access to more than one carrier. Note: some benefits are available or apply to employees because they have a spouse or domestic partner to whom the benefit applies, such as bereavement leave that allows an employee time off because of the death of a spouse or domestic partner; other benefits are provided directly to the spouse or domestic partner, such as medical insurance that covers the spouse or domestic partner as a dependent.

	BENEFIT(S) YOUR COMPANY CURRENTLY OFFERS	This Benefit is Not Offered to Employees	This Benefit is Available to Employees	Available/Applies to Spouses of Employees	Available/Applies to Domestic Partners of Employees
1	Health Insurance (List Name of Carrier(s))				
	Health Carrier 1:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Health Carrier 2:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/> additional carriers on attachment.				
2	Dental Insurance (List Name of Carrier(s))				
	Dental Carrier 1:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Dental Carrier 2:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/> additional carriers on attachment.				
3	Vision Plan (List Name of Carrier(s))				
	Vision Carrier 1:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Vision Carrier 2:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Pension/401(k) Plans	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	Bereavement Leave	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	Family Leave	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7	Parental Leave	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8	Employee Assistance Program	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9	Relocation & Travel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10	Company Discount, Facilities & Events	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11	Credit Union	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12	Child Care	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13	Other:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14	Other:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

COMPLIANCE

YOU MUST SUBMIT SUPPORTING DOCUMENTATION TO VERIFY EACH BENEFIT MARKED. Without proper documentation for each carrier and each benefit marked, your company cannot be certified as complying with the EBO. If documentation for a particular benefit does not exist, attach an explanation. Refer to the "Documentation to Verify Compliance with the Equal Benefits Ordinance" fact sheet for more information on the type of documentation that must be submitted to verify compliance with the EBO.

If in the Table in Section 2 you indicated that your company does not provide all benefits equally throughout its entire operations to all your employees with spouses and employees with domestic partners of the same and different sex, you may:

- ☐ **a. Request additional time to comply with the EBO.** Provisional Compliance may be granted to Contractors who agree to fully comply with the EBO but need more time to incorporate the requirements of the EBO into their operations. Submit the Application for Provisional Compliance (OCC/EBO-3) and supporting documentation with this Compliance Form.
- ☐ **b. Request to be allowed to comply with the EBO by providing affected employees with the cash equivalent.** Your company must agree to provide employees with a cash equivalent. In most cases, the cash equivalent is the amount of money equivalent to what your company pays for spousal benefits that are unavailable for domestic partners, or vice versa. Submit a completed Application for Reasonable Measures Determination (OCC/EBO-2) and supporting documentation with this Compliance Form.
- ☐ **c. Comply on a Contract-by-Contract Basis.** Compliance may be granted on a contract-by-contract basis for those Contractors who have multiple locations in the U.S. but cannot comply with the EBO throughout the Contractor's operations. Indicate below the compliance category you are requesting:
 - ☐ Contractor has multiple operations located both within and outside City limits. Contractor will comply with the EBO only for the operation(s) located within City limits and for employee(s) located elsewhere in the United States who perform work relating to the City agreement. Supporting documentation for the affected operation(s)/employees must be submitted.
 - ☐ Contractor has no offices within City limits but does have (an) employee(s) working on the City agreement located elsewhere in the United States. Contractor will comply with the EBO only for employee(s) located elsewhere in the United States who perform work relating to the City agreement. Supporting documentation for the affected employee(s) must be submitted.

SECTION 3. EXECUTE THE DECLARATION AND SUBMIT THE FORM TO THE AWARDING DEPARTMENT
This form must be returned to the City department awarding the agreement. If responding to a request for bid/proposal, submit this form with the bid/proposal to the awarding department. The awarding department will forward the form to the Department of Public Works, Bureau of Contract Administration, Office of Contract Compliance for review.

DECLARATION UNDER PENALTY OF PERJURY

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that I am authorized to bind this entity contractually.

Executed this _____ day of _____, in the year 2004, at L.A., CA
(City) (State)

Signature _____

David Sanders, President

Name of Signatory (please print): _____

David Sanders

Title _____

425 S. Main St. Pl.

Mailing Address _____

L.A., CA

City, State, Zip Code _____

95-6000-117

Account Number _____

CITY OF LOS ANGELES
Department of Public Works
Bureau of Contract Administration
Office of Contract Compliance
600 South Spring Street, Suite 1300, Los Angeles, CA 90014
Phone: (213) 847-6480 - Fax: (213) 847-5566

DOCUMENTATION TO VERIFY COMPLIANCE WITH THE EQUAL BENEFITS ORDINANCE

Section 2 of the Equal Benefits Ordinance Compliance Form (Form OCC/EBO-1) requires that you submit supporting documentation to the Office of Contract Compliance to verify that all benefits marked in your response(s) are offered in a nondiscriminatory manner. This list is intended to be used only as a guide for the type of documentation needed.

Health, Dental, Vision Insurance: A statement from your insurance provider that spouses and domestic partners receive equal coverage in your medical plan. This may be in a letter from your insurance provider or reflected in the eligibility section of your official insurance plan document. Note that "domestic partner" includes same-sex as well as different-sex partners so that the definition of "domestic partner" contained in the plan document must include different-sex partners.

Pension/401(k) Plans: Documentation should indicate that participating employees may designate a beneficiary to receive the amount payable upon the death of the employee. Submit a blank beneficiary designation form.

Bereavement Leave: Your bereavement leave or funeral leave policy indicating the benefit is offered equally. If your policy allows employees time off from work because of the death of a spouse, it should also allow for time off because of the death of a domestic partner. If the policy allows time off for the death of a parent-in-law or other relative of a spouse, it must include time off for the death of a domestic partner's equivalent relative.

Family Leave: Your company's Family and Medical Leave Act policy. All companies with 50 or more employees must offer this benefit. Your policy should indicate that employees may take leave because of the serious medical condition of their spouse or domestic partner.

Parental Leave: Your company's policy indicating that employees may take leave for the birth or adoption of a child. If leave is available for step-children (the spouse's child) then leave should also be made available for the child of a domestic partner.

Employee Assistance Program (EAP): The benefit typically refers to programs that allow employees and their family members access to counselors who provide short-term counseling and referrals to assist in dealing with issues such as family problems, addiction, and financial and legal difficulties. Your company's EAP policy must confirm that spouses, domestic partners and their parents and children are equally eligible (or ineligible) for such benefits. If provided through a third party, a statement from the third party provider regarding eligibility is required.

Relocation & Travel: Your company's policy confirming that expenses for travel or relocation will be paid on the same basis for spouses and domestic partners of employees.

Company Discounts, Facilities & Events: Your company's policy confirming that to the extent discounts, facilities (such as a gym) and events (such as a company holiday party) are equally available to spouses and domestic partners of employees.

Credit Union: Documentation from the credit union indicating that spouses and domestic partners have equal access to credit union services.

Child Care: Documentation that the children of spouses (step children) and children of domestic partners have equal access to child care services.

Other Benefits: Documentation of any other benefits listed to indicate that they are offered equally.

EXHIBIT N

AGENCY GRIEVANCE PROCEDURE

DCFS Transitional Housing Appeals Process and Procedures

Youth who have received the maximum number of violations for program infractions and are subsequently given notification of termination from the program will be given the right to appeal such decision. Following are the procedural steps for filing an Appeal with the DCFS Transitional Housing Program Appeals Committee.

STEP 1: Following written notification of termination from the Transitional Housing Program Social Worker/Case Manager, participant has 3-5 days to file an Appeal.

STEP 2: Participant must complete the attached Notice of Appeal form. The form must be filled out completely and clearly indicate why participant feels that Termination from the Transitional Housing Program is unwarranted

STEP 3: Participant must attach any supporting documentation to the Notice of Appeal form. Supporting documents include any information or documentation participant feels would assist in determining the merit of the Appeal.

STEP 4: Participant must send the Notice of Appeal form and supporting documentation to the Appeals Committee Coordinator

DCFS Transitional Housing Program
Berisha Black, BSW
Emancipation Ombudsman
3530 Wilshire Blvd 4th Floor
Los Angeles, California 90010
(213) 351-0203
Fax (213) 637-0035

STEP 5: Within 10 business days following receipt of the Notice of Appeal, the Appeal Committee Coordinator will schedule an Appeal Review and notify participant in writing when and where the review will be held. To ensure proper notification, mailing address and/or telephone number must be accurately completed on the Notice of Appeal form submitted

Failure to appear for a scheduled Appeal Committee Review will result in forfeiture of participants Appeals Rights and full enforcement and effect of the Termination Notice as documented.

STEP 6: The Appeals Coordinator will notify the Transitional Housing Program staff of the Notice of Appeal Request and will request submission of copies of records supporting the decision to terminate participant.

- STEP 7:** The Social Worker/Case Manager will be informed of the date and time of the scheduled Appeals Review and asked to attend.
- STEP 8:** Following the Appeals Review a decision will be rendered by the Appeals Committee within 5 business days. A Notice of Appeal Result form documenting the Appeal Review Committees decision will be forwarded to the Transitional Housing Program Administrator and participant. The Notice of Appeal Result will recommend Reinstatement with or without conditions or Denial of Appeal.
- STEP 9:** Transitional Housing Program staff and participant will adhere to the decision rendered by the Appeals Review Committee.
- STEP 10:** Participant will be reinstated with or without conditions or Terminated within 30 days

Transitional Housing Program

Notice of Appeal Request

Name of Appealer: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Telephone #: _____ Message #: _____

Effective Termination Date: _____

Reason of Termination: _____

THP Social Worker: _____

Reason (s) you feel you were unfairly terminated from the Transitional
Housing Program: (Attach separate sheet if necessary)

Supporting documents attached: Yes No

List supporting documents. _____

Participant Signature _____ Date: _____

cc: THP Director
Participant
File Copy

Attachment # 2
Los Angeles County Chief Administrative Office
Grant Management Statement for Grants \$100,000 or More

Department: DCFS

Grant Project Title and Description

Transitional Housing for Young People

Funding Agency	Program (Fed. Grant #/State Bill or Code #)	Grant Acceptance Deadline
U.S. Department of HUD	McKinney Homeless Assistance Act (42 * U.S.C. 11381-11389)	

Total Amount of Grant Funding: \$ 210,000

County Match: \$ 36,598

Grant Period: Begin Date: April 1, 2003

End Date: March 31, 2005

Number of Personnel Hired Under This Grant: ____ (34 THP staff salaries are prorated over 10 HUD Grants).

Full Time: 2.79.

Part Time: None.

Obligations Imposed on the County When the Grant Expires

Will all personnel hired for this program be informed this is a grant-funded program?

Yes X_____

No _____

Will all personnel hired for this program be placed on temporary ("N") items?

Yes _____

No X_____

Is the County obligated to continue this program after the grant expires?

Yes _____

No X_____

If the County is not obligated to continue this program after the grant expires, the Department will:

a) Absorb the program cost without reducing other services

Yes A_____

No _____

b.) Identify other revenue sources (describe below)

Solicit other grant and private foundation funds

Yes X_____

No _____

c.) Eliminate or reduce, as appropriate, positions/program costs funded by the grant.

Yes X_____

No _____

Impact of additional personnel on existing space:

NA

Other requirements not mentioned above:

*The grant will be de-obligated if not executed by 12/24/04.

DAVID SANDERS, Ph.D., Director

Department of Children and Family Services